

**REVIEW OF THE DEPARTMENT OF
TRANSPORTATION'S FISCAL YEAR 2012 BUDGET**

HEARING

BEFORE THE

**COMMITTEE ON COMMERCE,
SCIENCE, AND TRANSPORTATION
UNITED STATES SENATE**

ONE HUNDRED TWELFTH CONGRESS

FIRST SESSION

MARCH 8, 2011

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ONE HUNDRED TWELFTH CONGRESS

FIRST SESSION

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**REVIEW OF THE
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TUESDAY, MARCH 8, 2011

U.S. SENATE,
COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION,
Washington, DC.

The Committee met, pursuant to notice, at 2:33 p.m. in room SR-253, Russell Senate Office Building, Hon. John D. Rockefeller IV, Chairman of the Committee, presiding.

**OPENING STATEMENT OF HON. JOHN D. ROCKEFELLER IV,
U.S. SENATOR FROM WEST VIRGINIA**

The CHAIRMAN. Welcome, Mr. Secretary.

Let me just give a not brief opening statement, but I will make it brief by leaving out part of it.

We had a very interesting discussion in the Finance Committee this morning. We had three economists and then a lawyer who knew a lot of economics. And the whole principle—and I am going to get hit over the head by the gentlelady on my left when I say this, but the whole principle was how do you increase jobs. I suggested that if you make cuts, but those cuts include things like America COMPETES and certain transportation related programs that create jobs, the earned income tax credit, the child tax credit, et cetera—and I asked him if you did not cut out some of those types of programs—and we obviously cannot say them all here, but if you did not cut them out—but if you did cut the budget way, way, way back, which would help America grow more in terms of work? And he said what you said, Senator. And I thought that was very, very interesting because that sort of question has not been enlarged except through vitriol, not from Senator Hutchison. She and I are a perfect working machine. But that struck me as interesting.

Anyway, you are right in the middle of it. We started out with canals early, then went on to railroads, and then went on to the interstate highway system, and then on to aviation, and now we have got to sort of do a lot of all of the above, highways, bridges, high-speed Amtrak. And of course, they cost money.

But on the other hand, in West Virginia I would say, Senator Lautenberg, that probably 70 percent of our bridges are rusted and dangerous. Seventy percent, including some which are still wood. So we are at a very dangerous point. If we do not make substantial

improvements, we are not going to create what is necessary for job creation.

I am very pleased that the administration's Fiscal Year 2012 Budget recognizes the importance of transportation to our future well-being. And enough said on that. The President proposes to spend a record \$556 billion on surface transportation programs, literally doubling almost what we spent in the last 6 years of authorization. A very bold move, a job-creating move from my point of view, smart, and necessary for America's overall way to the future. I support the administration's vision.

On surface transportation policy, they require the DOT to be strategic in its decisionmaking in how it awards taxpayers' dollars to transportation projects.

I think the administration was very bold in their nationwide passenger rail network concept. It seems difficult—a fast, high-speed railroad, and yet other countries have it. We ought to. People are increasingly traveling on railroads, and that is a very important part of our system. At some level, that has to have some federal support. Freight are very profitable, passengers less so. Both important. Captive shippers—that problem still important.

Obviously the NextGen system on the FAA, which we just passed, so therefore there is not a huge need to talk about that from my point of view. But the NextGen—that is money that you have got to have. You cannot do it just with a strong will.

I also want to commend the administration for its emphasis on improving the safety of our nation's transportation system. 33,000 people died in motor vehicle crashes in 2009. The number has been going down. That is good. It is still unacceptably high—that is bad. Motor vehicle crashes are the leading cause of death for individuals aged 3 through 34. I was rather stunned by that.

So the importance of NHTSA. I am pleased that the budget calls for more than a 20 percent increase in the vehicle safety budget that NHTSA has. Hearings last year revealed some weaknesses, readily admitted-to weaknesses, and they have to be able to get the software, people, and engineers that they need.

So I am for rebuilding America. I am trying to be a responsible Senator. I believe in that. I also somehow just believe enormously that you have to have certain pieces in place.

I thank the Secretary for being here today, and I turn to Senator Hutchison.

**STATEMENT OF HON. KAY BAILEY HUTCHISON,
U.S. SENATOR FROM TEXAS**

Senator HUTCHISON. Thank you, Mr. Chairman.

If what you said earlier today is that we should agree on a cap on spending and then determine what priorities would spur job creation and spur our economy, I agree with you. I think that is exactly what we ought to be doing, and I do think the cuts in spending need to occur. Let us put a cap on it and then decide what is going to increase jobs.

Now, I appreciate that you are here, and I also appreciate your accessibility. I have never called you that you did not respond, and I appreciate that very much.

I am looking at a 6-year \$556 billion surface transportation reauthorization proposal. I think having separate accounts that replace the Highway Trust Fund could be a good idea: highway, rail, transit, and then a national infrastructure bank. But I do not see any funding mechanism. And of course, we know how the highway bill is funded with gas taxes, but where are you going to fund the rail and the transit portions of the ask that you are making? I look at the proposal for \$50 billion in up-front spending on transportation projects in Fiscal Year 2012, and again, I think a sustainable source of funding is the real question here.

Developing a high-speed rail program is important. We have already appropriated \$13 billion for high-speed rail and innercity rail projects. This adds \$53 billion over 6 years, I believe, in rail. But I think we have got to, again, see some kind of a mechanism to fund this rail that has an association with who is getting the service.

In aviation, the Chairman and I worked very hard to pass the reauthorization of the FAA bill because we both agree on NextGen and the importance of putting the next generation of technology into our air traffic control system. America needs to be a leader. We are over 50 percent of all aviation traffic in the world. We can provide efficiencies if we get NextGen. But I just want to point out that in your budget, as I see it, there is not a correlation between the priority of NextGen and the FAA budget as a whole. It appears that you are cutting airport improvement funding, research funding, and capital programs in the facilities and equipment account, but the operations account is growing exponentially. The budget proposal for FAA's operations account would provide a \$400 million increase over Fiscal Year 2010, at the expense of all the other capital accounts in the FAA. So it just seems to me that our priority for infrastructure in the FAA, which is the correct one, is not being supported by the budget priorities that are coming forward today.

So I look forward to, of course, working with you and trying to maybe get a budget that we can all agree has the right priorities. I do think we have got to address the funding sources for—other than highway, which does have a funding source—the other modes of transportation which are very important, but how are we going to have a partnership in funding those priorities?

So thank you, Mr. Chairman, for holding this hearing.

Thank you, Mr. Secretary, for being here, and I will look forward to working with you. Thank you.

The CHAIRMAN. Thank you, Senator Hutchison.

Just on a seniority basis, I would call on Senator Lautenberg, then Senator Thune, if he is here, then Senator Cantwell, who is Chair of the Aviation Subcommittee—Lautenberg of Transportation—and then also Senator DeMint, should he be here. So Senator Lautenberg?

**STATEMENT OF HON. FRANK R. LAUTENBERG,
U.S. SENATOR FROM NEW JERSEY**

Senator LAUTENBERG. Thank you very much, Mr. Chairman.

Welcome, Mr. Secretary and Mr. Bertram.

Our country's roads, rails, and runways keep our economy moving, but much of the infrastructure is now in a crumbling state and

House Republicans are not the least bit interested in rebuilding it. Instead, they seek billions of dollars in cuts, a reckless plan that is going to leave our transportation network to despair. This risky approach would send pink slips to hundreds of thousands of transportation workers, including more than 3,000 in the state of New Jersey. It would also slash funding for Amtrak, a vital national transportation service that takes 8 million cars off our roads and keeps 50,000 flights out of our skies each year. And we do not need more congestion on our roads. We do not need more delays at our airports, and we do not need more job losses.

We should be focused on rebuilding our economy and creating good jobs. President Obama and Secretary LaHood—you have done a good job, Mr. Secretary—know this and that is why the bold vision for the future includes more investment in transportation, including the creation of a world-class high-speed rail system. And as Chairman of the Subcommittee on Surface Transportation, I applaud this dedication to strengthening rail service in our country. That is why I believe we have also got to invest in projects that will strengthen our economy like the proposed Gateway Tunnel from my state to New York. This visionary project will serve both commuters in New Jersey and high-speed rail passengers throughout the Northeast Corridor.

House Republicans say we cannot afford these investments right now. It is a short-sighted view in my estimation. It ignores past achievements like the George Washington Bridge, which was built during the Depression. And thank goodness they did it. It helped provide jobs and it helped provide movement within the Northeast Corridor. Their approach also ignores our responsibility to help Americans get back to work, especially in the construction industry where more than one in five workers are unemployed.

The bottom line is we have an opportunity to fix our broken-down infrastructure to get millions of workers back on the job. We also have a duty to the next generation of Americans who are counting on us to make these investments in their future.

So I look forward to hearing from the Secretary about how we can make the smart transportation decisions needed to keep our country moving forward.

Thanks, Mr. Chairman.

The CHAIRMAN. Senator Thune?

**STATEMENT OF HON. JOHN THUNE,
U.S. SENATOR FROM SOUTH DAKOTA**

Senator THUNE. Thank you, Mr. Chairman.

Secretary LaHood, welcome. Nice to have you back and also nice to welcome back Assistant Secretary Bertram who spent some time up here with this committee.

I appreciate your appearing before us and look forward to hearing what you have to say. We know we have heard from you once at the Budget Committee and probably will eventually at the Finance Committee, I am guessing, as well.

But just a couple of observations, if I might, Mr. Chairman, about the administration's budget for 2012. It does propose some sweeping changes and massive increases in funding levels for DOT programs. At the heart of the budget is a 6-year \$556 billion sur-

face transportation reauthorization proposal. This proposal would require an additional \$231 billion in the Highway Trust Fund which would be renamed the Transportation Trust Fund over a 6-year period. The reauthorization also includes \$53 billion for passenger rail at a time when many states are canceling projects because of budgetary problems.

I am particularly concerned by the \$50 billion up-front transportation infrastructure plan for 2012 that sounds very much like another stimulus program. Unfortunately, the administration has left unanswered the most obvious and pressing question, and that is how do we pay for these huge increases. In fact, this proposal appears to be less a budget and more of a transportation wish list. In a time of tight budgets and fiscal constraint, we simply cannot impose new taxes or fees on the American people and our businesses who are still struggling to emerge from a deep recession.

Beyond the lack of funding for DOT proposals, I have several other specific concerns that I hope we can get addressed this afternoon. I understand the administration has again proposed a rail safety user fee on the railroads to offset the FRA's rail safety program expenses. In my view, this is a matter more appropriately addressed by this committee as part of reauthorizing legislation after a careful policy debate and should not be counted as expected revenue in the DOT budget proposal.

Additionally, I am concerned about the creation of a \$30 billion national infrastructure bank as part of the new Transportation Trust Fund. I would request a careful review of the policy implications of this program before proceeding. Frankly, I have great reservations about this type of fund which I believe would principally benefit large metropolitan areas and ignore the needs of rural states like my own.

Mr. Secretary, thank you again for being with us today. I look forward to continuing to work with DOT to address our nation's transportation needs.

And, Mr. Chairman, I thank you for holding today's hearing.

The CHAIRMAN. Thank you, Senator Thune.

Senator Cantwell?

**STATEMENT OF HON. MARIA CANTWELL,
U.S. SENATOR FROM WASHINGTON**

Senator CANTWELL. Thank you, Mr. Chairman.

Mr. Secretary, good to see you. Thank you for your work on the Mexican trucking issue, something of importance to growers in the Pacific Northwest, and I am sure I will get a chance to ask you a question about that.

I also just wanted to raise that last time you were before the Committee, we raised the issue of national freight mobility. And working, obviously, with the subcommittee chairmen, Senator Lautenberg and Senator Murray, we introduced the Freight Act last year. This bill recognizes the role that ports play in moving freight that are obviously necessary and the infrastructure that goes along with it. Obviously, it is something that creates jobs and a very much needed boost to our economy.

I know that you will have a chance to address some of these issues, but a GAO report in 2003 cited specific barriers to inhib-

iting intermodal transportation, such as limited federal funding, targeted projects, limited collaboration, and limited ability to evaluate projects.

I hope we will hear from you today about the Department's current freight strategy, orientation on highway corridors and multimodal, where the coordination within the administration lies on such issues, and what the Department's intentions are to creating freight mobility programs. I think these types of prioritizations have worked well for our economy and needs of making infrastructure improvements that are tied directly to jobs. So I will look forward to hearing within this budget proposal the priorities that you can give to that.

Thank you, Mr. Chairman.

The CHAIRMAN. Thank you, Senator Cantwell.

We are going to close the statements there and turn directly to you, Mr. Secretary.

**STATEMENT OF HON. RAY LAHOOD, SECRETARY,
U.S. DEPARTMENT OF TRANSPORTATION; ACCOMPANIED BY
CHRISTOPHER BERTRAM, ASSISTANT SECRETARY FOR
BUDGET, U.S. DEPARTMENT OF TRANSPORTATION**

Secretary LAHOOD. Thank you, Mr. Chairman and Ranking Member Hutchison and members of the Committee. Thank you for the opportunity to discuss President Obama's Fiscal Year 2012 budget request for the U.S. Department of Transportation.

Just a few weeks ago, President Obama delivered a powerful message in his State of the Union. He said that for America to win the future, our citizens and companies need the safest, fastest, and most reliable ways to move goods and information. He reminded us if we build it, they will come. If we want businesses to open shop and hire our families and friends and neighbors, we have to invest in our roadways, railways, and runways. We have to invest in 21st century buses, streetcars, transit systems, in next generation technology for our skies and in sidewalks, and bike paths that make our streets more livable.

All of this is included in the President's \$129 billion 2012 budget for the U.S. Department of Transportation, designed as the first installment of a bold 6-year \$556 billion reauthorization proposal.

Now, to make room for these essential investments, President Obama's 2012 budget proposes the lowest relative level of domestic spending since President Eisenhower was in office 6 decades ago. That was 10 administrations ago. The simple fact is that we have to cut and consolidate things that are not growing the economy, creating jobs, or making it easier to do business in order to pay for the things that are. So at the Department of Transportation, President Obama's budget slashes red tape. It consolidates more than 50 programs, and it includes reforms that will accelerate project delivery and empower local communities.

Of course, our major objective is to make investments in tomorrow that expand economic opportunity today, to dream big and to build big. On the cover of our budget, there is a picture of a bridge that crosses the Hoover Dam. It connects Nevada and Arizona. Seven years ago or more, people began planning for this bridge, and if it were not for the big thinkers and the big builders of gen-

erations ago, we would not have had the opportunity to dedicate this. That is what this budget is about. That is what this vision is about: big and bold just like people who came before us who had big visions, a big, bold view of how we put people to work and how we build America's infrastructure.

Our budget keeps us on track toward a national high-speed rail system with an \$8 billion investment in 2012 and a \$53 billion investment during the next 6 years. It increases resources for highway and bridge improvements by 48 percent and increases funding for affordable, efficient, sustainable bus, streetcar, and transit systems by 126 percent. It includes a \$50 billion up-front boost to keep our recovery moving in the short-term and a \$30 billion national infrastructure bank that will finance major projects of national or regional significance over the long run.

At the same time, safety is and always will be our top priority. President Obama's budget renews our commitment to prevent traffic crashes with resources for our ongoing campaign against distracted driving, drunk driving, and to promote seatbelt use. The President's proposal requests new authority for the Federal Transit Administration to ensure the safety of rail transit riders across America, and it gives the Federal Motor Carrier Safety Administration stronger capacity to keep commercial traffic safe.

Finally, we are dedicated to doing all of this without passing on another dime of debt to our children and grandchildren. For the first time, transportation spending will be subject to paygo provisions that ensure the dollars we give out do not exceed the dollars coming in.

These are just a few components of the President's plan. They reflect a much larger point: America's transportation system is at a crossroads. Our choice is not between policies on the left or policies on the right. Our choice is whether our economic recovery rolls forward or falls backward. It is up to us whether we lay a new foundation for economic growth, competitiveness, and opportunity or whether we settle for a status quo that leaves America's next generation of entrepreneurs, our children and grandchildren, with clogged arteries of commerce. It is up to us whether we do big things or whether we do nothing. If we choose wisely, our legacy can be an economy on the move and a future that America is prepared to win.

With that, Mr. Chairman, I will be happy to answer questions. [The prepared statement of Secretary LaHood follows:]

PREPARED STATEMENT OF HON. RAY LAHOOD, SECRETARY,
U.S. DEPARTMENT OF TRANSPORTATION

Introduction

Chairman Rockefeller, Ranking Member Hutchison, and members of the Committee, thank you for the opportunity to appear before you today to discuss the Administration's Fiscal Year (FY) 2012 budget request for the U.S. Department of Transportation. The President is requesting \$129 billion for Transportation in FY 2012. This includes the first-year of a bold new six-year \$556 billion reauthorization proposal that will transform the way we manage surface transportation for the future.

America is at a transportation crossroads. To compete for the jobs and industries of the future, we must out-innovate and out-build the rest of the world. That is why President Obama called on the Nation to repair our existing roadways, bridges, railways, and runways and to build new transportation systems—including a national

high-speed intercity rail network—which will safely and efficiently move people and goods. The Administration’s Surface Transportation Reauthorization proposal is designed to accomplish precisely this, and is the centerpiece of the President’s FY 2012 budget.

It proposes four broad goals: (I) *building for the future*, (II) *spurring innovation*, (III) *ensuring safety*, and (IV) *reforming government and exercising responsibility*.

The FY 2012 proposal includes a \$50 billion “Up-Front” economic boost that is designed to jump-start job creation while laying the foundation for future prosperity. This initial funding would finance improvements to the Nation’s highway, rail, transit, and aviation systems.

I. Building for the Future

America’s aging roads, bridges, and transit systems must be addressed. For too long we have put off the improvements needed to keep pace with today’s transportation needs. By 2050, the United States will be home to 100 million additional people—the equivalent of another California, Texas, New York, and Florida. More than 80 percent of them will live in urban areas. Concerns about the need for livable communities will increase as communities tackle the need for transportation choices and access to transportation services. If we settle for the *status quo*, our next generation of entrepreneurs will find America’s arteries of commerce impassably clogged and our families and neighbors will fight paralyzing congestion. So the Administration’s proposal addresses this challenge in three ways:

(1) *Creating a National High-Speed Rail Network*: First, the proposal provides \$53 billion over 6 years to continue construction of a national high-speed rail network. It will place high-speed rail on equal footing with other surface transportation programs; include funding for both Amtrak and new “core express,” “regional,” and “emerging” corridors; and keep the country on track toward achieving a goal of providing 80 percent of Americans with access to an intercity passenger rail network, featuring high-speed rail within 25 years.

(2) *Rebuilding America’s Roads and Bridges*: Second, the Administration’s proposal will provide a 48 percent funding increase—to \$336 billion over 6 years for road and bridge improvements and construction. A key element expands the current National Highway System to include an additional 220,000 miles of critical arterials. It will also simplify the highway program structure, accelerate project delivery to realize the benefits of highway and bridge investments for the public sooner, and underscore the importance of maintaining existing highway infrastructure in good condition. These investments and reforms will modernize our highway system while creating much-needed jobs.

(3) *Investing in Accessible, Affordable Transit Options*: Third, the proposal will provide a 128 percent increase in funding—to \$119 billion over 6 years—for affordable, efficient, and sustainable transit options. It will prioritize projects that rebuild and rehabilitate existing transit systems, including an important new transit safety program, and allow transit authorities (in urbanized areas of 200,000 or more in population) to temporarily use formula funds to cover operating costs.

II. Spurring Innovation

The Administration’s Surface Transportation Authorization proposal acknowledges the important role that innovation and modern business tools play in putting our transportation dollars to work wisely. We can no longer afford to continue operating our systems the same way we did 50 years ago, with outdated processes and financial tools that were made for yesterday’s economy. Our proposal and the President’s FY 2012 request responds to this challenge in several ways.

It establishes an Infrastructure Bank to finance projects of national or regional significance. By working with credit markets and private-sector investors, the Infrastructure Bank will leverage limited resources to achieve maximum return on Federal transportation dollars. The bank will initially receive \$30 billion over 6 years, will reside within the U.S. Department of Transportation, and will be managed by an executive director with a board of officials drawn from other Federal agencies.

Recognizing that competition often drives innovation, the Administration’s proposal and the President’s FY 2012 budget also includes a \$32 billion competitive grant program called the Transportation Leadership Awards. This program’s goal is to reward States and local governments that demonstrate transformational policy solutions. Examples include the use of innovative multimodal planning and funding methods, pricing and revenue options, land use guidelines, environmental stewardship measures, economic development strategies, innovation of project delivery, and deployment of technology—just to name a few possibilities.

These new and innovative tools will help us to better meet the transportation needs of America's small towns and rural communities. Increased highway funding will expand access to jobs, education, and health care. Innovative policy solutions will ensure that people can more easily connect with regional and local transit options—and from one mode of transportation to another.

At the same time, our proposal will bolster State and metropolitan planning; award funds to high performing communities; and empower the most capable communities and planning organizations to determine which projects deserve funding.

Innovation must span beyond surface transportation. This is why the President's budget request also includes \$3.4 billion for aviation in the \$50 billion up-front investment. The budget requests \$3.1 billion for airport improvements for runway construction and other airport projects such as Runway Safety Area improvement projects as well as noise mitigation projects. Modernizing our air traffic control systems is critical if we are to meet the needs of the future. The President's FY 2012 budget addresses this by providing \$1.24 billion for the Federal Aviation Administration's (FAA) efforts to transition to the Next Generation (NextGen) of Air Traffic Control. This funding will help the FAA move from a ground-based radar surveillance system to a more accurate satellite-based surveillance system—the backbone of a broader effort to reduce delays for passengers and increase fuel efficiency for carriers.

III. Ensuring Safety

Keeping travelers on our transportation systems safe is my top priority. That is why preventing roadway crashes continues to be a major focus at DOT. The Administration's Surface Transportation Reauthorization proposal will provide \$330 million for the ongoing campaign against America's distracted driving epidemic. It will also commit \$7 billion to promote seatbelt use, get drunk drivers off the road, and ensure that traffic fatality numbers continue falling from current historic lows. In addition, it almost doubles the investment in highway safety, providing \$17.5 billion to Federal Highway Administration (FHWA) safety programs. The Department is also taking a fresh approach to interstate bus and truck safety. Compliance, Safety, Accountability (CSA) is a new initiative that will improve safety and use resources more efficiently. The Administration's Surface Transportation Reauthorization Proposal will dedicate \$4.9 billion to the Federal Motor Carrier Safety Administration (FMCSA), and give the Department of Transportation new authority to set tougher safety performance goals for states.

Transit safety is another important priority. Our proposal will, for the first time, entrust the Federal Transit Administration with the authority to oversee rail transit safety across America. In light of recent transit-related accidents, I believe this is critical to ensuring the oversight and accountability our transit riders deserve.

Our safety focus must also include the transportation of hazardous materials and our network of pipelines. The Administration's Surface Transportation Reauthorization Proposal will fund the safety programs of the Pipelines and Hazardous Materials Safety Administration (PHMSA) and will enhance its authorities to close regulatory loopholes and improve its safety oversight. The President's FY 2012 budget requests \$221 million for PHMSA to help ensure that families, communities, and the environment are unharmed by the transport of chemicals and fuels on which our economy relies.

IV. Reforming Government and Exercising Responsibility

As we move forward together to plan for America's transportation needs, we must also keep in mind the responsibility we all share for using taxpayer dollars wisely. The Administration's Surface Transportation Reauthorization Proposal will cut waste, inefficiency, and bureaucracy so that projects can move forward quickly, while still protecting public safety and the environment.

Our proposal consolidates and streamlines our current Highway and Transit Programs in a major way. The current system of over 55 separate highway programs will be folded into five new categories. Similarly, six transit programs are merged into one "state of good repair" program and one "specialized transportation" program. As a result of these changes, we expect to shorten project delivery and accelerate the deployment of new technologies.

The Administration's Surface Transportation Reauthorization proposal also includes important reforms that change the way we manage our transportation spending. Consistent with the recommendations of the Fiscal Commission, for the first time, the Budget proposes to subject surface transportation spending to "paygo" provisions to make certain that spending does not exceed dedicated revenue. This approach is designed to ensure that our surface transportation program is paid for fully without increasing the deficit. The proposal will also expand the current High-

way Trust Fund into a new Transportation Trust Fund with four accounts—one for highways, one for transit, one for high-speed passenger rail, and one for the National Infrastructure Bank.

Other Highlights

The President's FY 2012 request includes some other key transportation priorities as well. These include the \$18.7 billion in total funds requested for the FAA. FAA would receive \$9.8 billion to fund the operation, maintenance, communications and logistical support of the air traffic control and air navigation systems. An additional \$3.1 billion would support FAA's Facilities and Equipment program to fund FAA's capital projects. A total of \$5.1 billion in FY 2012 would fund the Airport Improvement Program when funding from the \$50 billion up-front investment is included.

The President's request also includes \$93 million for the U.S. Merchant Marine Academy (USMMA). \$29 million of these funds will be used to support the next phase of the USMMA's Capital Asset Management program and for renovations to selected barracks and the mess hall. These improvements will help ensure that our cadets have the facilities they need to support their education.

Conclusion

Thank you for the opportunity to appear before you to present the President's FY 2012 budget proposal for the Department of Transportation and our Surface Transportation Reauthorization proposal that will help transform transportation programs over the next six years in ways that will benefit all Americans for years to come. I look forward to working with the Congress to ensure the success of this request.

I will be happy to respond to your questions.

The CHAIRMAN. Thank you, Mr. Secretary.

The administration has said that it is developing a comprehensive legislative proposal to support surface transportation reauthorization. And the President's budget request frequently references that proposal. However, weeks have gone by and we have yet to see anything. The Committee is developing reauthorization legislation, and such a legislative proposal would be helpful in understanding the administration's goals and intentions for reauthorization.

Secretary LAHOOD. We are working with our colleagues at OMB through the process of a legislative proposal, and we hope to have one to you. It will be a reflection of the President's budget.

The CHAIRMAN. Yes, we have that problem more than I would like. We have it on cybersecurity. You have got four committees involved with cybersecurity, and everybody has more or less figured out what to do. And Olympia Snowe, who is on this committee, is a huge part of that. But we have not gotten anything out of the White House, and that refrain increases just a bit here in the Senate.

If we are to have an opportunity to pass this bill and to move it quickly, we are going to have to know where the money is going to come from. That is a big chunk which is unfunded. And as you referenced, the President has said what he is not for, which is raising the gas tax, but he has not referenced what he might be for. And at some point, we are going to have to come to grips with that.

Secretary LAHOOD. Mr. Chairman, we are prepared to work with you and other Members of the Congress in a bicameral way to find the resources we need. We want to put a big vision out. That is what the President has done. This is a big, bold vision. It is the boldest vision that anybody can remember a President has ever put out in terms of transportation. We are prepared to work with you and others in the Congress to find the resources to make this vision a reality.

The CHAIRMAN. And that does mean that he and his team will be proposing along with us.

Secretary LAHOOD. We will work with you and anybody who wants to find resources to fund this big, bold vision.

The CHAIRMAN. OK.

Is everything on the table for funding, as far as the administration is concerned?

Secretary LAHOOD. The President has said very clearly through me and others that he is not in favor of raising the gas tax when unemployment is at 8.9 percent and we still have a lousy economy. There are some people in this country that can little afford to buy a gallon of gasoline, let alone one that has been increased by an increase in the gas tax.

The CHAIRMAN. I understand that and I agree with that, but then there is the question of what might be on the table. And if you cannot answer it, I will not press it. It is just that it is comforting, as you prepare for legislation, to know how you are going to pay for it.

Senator HUTCHISON?

Senator HUTCHISON. Mr. Secretary, I said in my opening statement that I am very concerned about what I consider to be the extraordinary increase in the operations account of the FAA at the expense of many of the capital accounts and infrastructure accounts. So could you explain why there is a \$400 million increase over Fiscal Year 2010 in the operations accounts and if you are concerned about the diminishing of the capital accounts when we are trying to put forward NextGen which is probably the biggest thing that FAA will be doing in the next 10 years?

Secretary LAHOOD. Let me just read this for the record, Senator, and then if you want more clarification. The Fiscal Year 2012 budget requests a .5 percent increase for operations. The Fiscal Year 2012 budget requests a 5 percent increase for facilities. The operations account would increase by 3 percent. The F&E account by 5.5 percent. My last point is the Fiscal Year 2012 budget requests \$1.2 billion for next generation technology which has grown from \$695 million in 2009, which is a 72 percent increase for next generation technology.

Senator HUTCHISON. Well, my staff tells me that you are looking at the \$50 billion up-front part of your bold vision, including a \$3.1 billion increase for the airport improvement program and \$250 million for NextGen applications, but that is from the general fund. And I am asking why the operations account is going up so much in your regular budget process, not the up-front vision.

Secretary LAHOOD. Let me ask our budget—

The CHAIRMAN. Yes. And I apologize because I failed to introduce Chris Bertram who is the Assistant Secretary for Budget.

Secretary LAHOOD. Well, I apologize too because I forgot to mention it.

Mr. BERTRAM. The operations account for FAA has been increasing on average 3 percent annually, and I think we have a similar concern. This year the increase is only a half a percent. It is probably the lowest request we have ever had. It is something we are cognizant of as we try to keep operations costs at a reasonable rate of growth.

Senator HUTCHISON. Keep in mind that we had huge increases in the last 2 years. That is why so many of us are looking at 2008 as a benchmark rather than the inflated spending that occurred in 2009, 2010 and 2011. So my question is why is there so much more in the operations and salary areas when you have had such increases in the last 2 years? Where is the effort to bring operations more in line with maybe 2008 levels, or just knowing that our fiscal house is not in order, why would we be increasing so much in these? It seems like really throughout the Department, we are increasing so much in operational costs.

Mr. BERTRAM. On the FAA side, in terms of operations, we have one of the smallest increases we have ever had in a proposed budget. The cost drivers for operations are things like utilities, hiring additional inspectors that work on the safety side at FAA, as well as increased salary costs.

Senator HUTCHISON. Well, I think we need to look at how much of that is some more inspectors and I think we need more of a justification.

Mr. BERTRAM. We can break that down for you exactly where all of the increases are in the operations.

[The information referred to follows:]

The FAA Operations request for FY 2012 is \$9,823 million. This is an increase of \$309 million (3.3 percent) over the FY 2011 level of \$9,514 million enacted in the full-year continuing resolution.

An itemization of the \$309 million increase is provided in the table below.

FAA Operations Request
Comparison of FY 2012 President's Budget over FY 2011 Enacted

Category	Increase over FY 2011 (\$ in Millions)	Description
Unavoidable Adjustments	90.1	<ul style="list-style-type: none"> • Annualization of prior year hiring (AVS safety inspectors and ATO NextGen staff) • Annualization of prior year pay raises and other pay adjustments • Non-pay inflation
Uncontrollable Adjustments	181.0	<ul style="list-style-type: none"> • Implementation of air traffic controller collective bargaining agreement • Maintenance and support costs of new systems and equipment • Increased rent for existing office space and additional space for new safety inspectors
Discretionary Increases	82.8	<ul style="list-style-type: none"> • Additional AVS inspectors and safety support staff • Additional NextGen staffing and environmental technologies • Commercial Space safety enhancements • Information Security enhancements • Hazardous Materials inspections and emergency operations enhancements • New service center buildings
Cost Efficiencies	-44.9	<ul style="list-style-type: none"> • Flight Services contract savings • Real Property savings • Administrative efficiencies
<i>Total:</i>	<i>309.0</i>	

Senator HUTCHISON. It is a smaller increase but you have 2 years of big increases. We are just not getting, I think, the message that, yes, we have bold visions but we cannot just keep throwing

money at operations and create these big visions or implement these big visions. So I will be anxious to hear more detail, Mr. Secretary. Thank you.

The CHAIRMAN. Thank you, Senator Hutchison. Senator Ayotte?

**STATEMENT OF HON. KELLY AYOTTE,
U.S. SENATOR FROM NEW HAMPSHIRE**

Senator AYOTTE. Thank you, Mr. Chairman.

Thank you, Secretary LaHood, and Assistant Secretary Bertram.

I wanted to ask you—Secretary LaHood, you and I had an opportunity to speak last week about the Memorial Bridge in Portsmouth. Would you still agree that is one of the worst bridges in America?

Secretary LAHOOD. It is one of the worst bridges in America, Senator, and that is the reason that we provided the money that we provided so that you all could have a new bridge.

Senator AYOTTE. Certainly we appreciate the commitment, when you came to Portsmouth, to the project, and wanted to ask you about the actual approval process that New Hampshire and Maine are going through right now. There is a process that is undergoing a NEPA review, and the NEPA review itself is—as I understand it, we have already undertaken a NEPA review in the past that was sufficiently completed in 2008 and actually approved. Are you familiar with that?

Secretary LAHOOD. What I know, Senator, is we believe that all the approvals will be completed by late summer/early fall.

Senator AYOTTE. As I understand it, the NEPA review that was already approved—the one that has been resubmitted is very substantially similar, very few differences between the two. Would you agree with me on that?

Secretary LAHOOD. I will have to answer you for the record. I do not want to say that I know in intimate detail they are similar. I would rather answer you for the record.

I know based on the conversation that you and I had, I went back and did the research on this project and was told by my staff that all the approvals will be completed by late summer/early fall.

On the specific question, I will give it to you for the record.

Senator AYOTTE. Well, I would appreciate that because I actually have a comparison in front of me between the NEPA review that was already done and the NEPA review that has been resubmitted, and there is only one minor difference between the two.

[The information requested follows:]

The 2008 National Environmental Policy Act (NEPA) evaluation was for rehabilitation of the historic Memorial Bridge. The scope of work has significantly changed from that proposed in 2008. The current project is to completely replace the bridge deck and widen the existing bridge piers to accommodate the wider cross section of the new superstructure. The bridge replacement project requires work in the river that was not necessary for the 2008 rehabilitation project, which did not include substructure or pier work. A separate NEPA evaluation and further coordination with appropriate natural resource agencies to address any Essential Fish Habitat/Endangered Species Act issues was required as a result of the extended scope of work. In addition, because the historic Memorial Bridge is to be completely removed, a more substantial mitigation package was determined necessary as part of the evaluation process under Section 106 of the National Historic Preservation Act and

Section 4(f) of the Department of Transportation Act of 1966 evaluation process to help offset the increased impacts to historic resources resulting from the project.

The required NEPA evaluation for the Memorial Bridge replacement project is now complete. The project was classified as a Categorical Exclusion on March 17.

Senator AYOTTE. And so given that, I am asking you why we cannot expedite the review process within your office to ensure that essentially, as I see this, very little difference in paperwork that we have already done and already gotten the full approvals for a project that, as you know, both states are deeply committed to. Can I have your commitment to expedite the review process within the Department of Transportation?

Secretary LAHOOD. Absolutely, you can have my commitment.

Senator AYOTTE. Well, I very much appreciate that and look forward to working with you on it.

Secretary LAHOOD. Just on this project, I want everybody to know that if the bill that passed the House is passed in the Senate, the last line of that bill says that any funds not obligated by February 11 will come back to the Treasury. So I want to just let everybody know that. These are all good projects. We would not have funded them if they would not have been good projects, and they all need this money. We just want to make sure everybody understands that.

You have my commitment to do everything we can to expedite this project.

Senator AYOTTE. Well, I appreciate that, Mr. Secretary, and particularly since having reviewed this, which I know that you will do, the commitment from both of our states of already having gone through the paperwork process once, I would hate to see the bureaucracy stand in the way between the project when we have gone through already the proper review. So I appreciate your commitment to expediting the process within your agency because, you know, too often, unfortunately, the process itself, even though states have complied, can be very onerous, as you know.

Secretary LAHOOD. Absolutely. You have my commitment.

Senator AYOTTE. Thank you.

Secretary LAHOOD. Thank you.

The CHAIRMAN. Thank you, Senator.

We will have committee Chair and Ranking Member comments. This is all done by order of appearance. Therefore, Senator Lautenberg is next, to be followed by Senator Cantwell, then Senator Begich.

Senator LAUTENBERG. Thanks, Mr. Chairman.

Mr. Secretary, as I said before, there is good work being done there and I appreciate your effort and your skill in weaving your way through the difficulties and making sure that our transportation agenda moves along.

In Florida, Governor Rick Scott has said that he rejects \$2.4 billion in Federal high-speed rail funds. The Northeast Corridor could start putting these funds to good use now to boost our economy and improve our existing high-speed rail service and create jobs. If the funds are returned to DOT, will the Northeast Corridor be a priority for receipt of these funds?

Secretary LAHOOD. We have a request from just about every Member of Congress on both sides of the Capitol for these funds, Senator.

Senator LAUTENBERG. For the Northeast Corridor?

Secretary LAHOOD. Many of these Senators and Representatives are from the Northeast Corridor. We are working our way through the process of reallocation.

Senator LAUTENBERG. The bills proposed by the House Republicans have slashed funds to replace the 100-year-old Portal Bridge in Jersey. This bridge carries more than 400 trains and 180,000 people every day in one of the busiest passenger rail corridors in the country. What might be the effect on commuter mobility and the economy of the Northeast Corridor if the House Republicans have their way and the Portal Bridge does not get replaced?

Secretary LAHOOD. We are committed to working with you and others for the replacement of this bridge. It is absolutely critical for safe travel. It is absolutely critical to the citizens of New Jersey and New York, and we remain committed to making sure this project moves forward.

Senator LAUTENBERG. In 2009, President Obama signed into law the legislation I wrote to establish a Marine Highways grant program. It is to promote moving more freight by sea. And unfortunately, funding for the program was not included in the President's budget.

Now, given the congestion on our highways, wear and tear on our roads, should we not be encouraging more freight to be moved by ship or barge at this point in time?

Secretary LAHOOD. Last year, Senator, I convened one of the first meetings that have ever been convened of all the ports in the country to talk about the importance of ports, talk about this administration's commitment to every port in the country. We believe that the marine highway, which is a signature transportation program for our MARAD organization, could be funded through the Infrastructure Bank. We believe that is a pool of money out of which good marine highway projects, which we believe in, we think are important to relieve congestion, could be funded.

Senator LAUTENBERG. While I commend the President's proposal for a robust investment in our transportation system, the budget does not specify how we are going to pay for these investments. At the same time, gas prices keep going up with proceeds going to the big oil companies and countries that do not like us rather than being reinvested in our infrastructure.

What options are there to pay for the administration's proposal?

Secretary LAHOOD. As I said to the chairman, we are committed to working with any Member of Congress who wants to be helpful in funding the big, bold vision that the President has for transportation and infrastructure.

Senator LAUTENBERG. We need a big, bold bank account to do that, Mr. Secretary. Thank you very much.

Secretary LAHOOD. Thank you.

The CHAIRMAN. Senator Cantwell?

Senator CANTWELL. Thank you, Mr. Chairman.

Secretary LaHood, again a couple of different questions. One, the Columbia River crossing is a pretty big project for us connecting

Vancouver, Washington to Portland, Oregon, and it is kind of one of a kind because it is a big multimodal project, including light rail. So we very much appreciate that it is in the President's budget proposal. So thank you very much for that. We have some questions, for the record on how the FTA match is calculated, if you can bear with us on that.

But the larger question. With the Federal Highway Administration and the Federal Transit Administration involved potentially with the design of the bridge, maybe even the FAA involved, does it make sense to have someone within the Secretary's office assigned the role of project facilitator when it related to interdepartmental design issues?

Secretary LAHOOD. We had a meeting with both governors when they were here for the Governors' meeting. I met with them on a Sunday afternoon. We made as strong a commitment as we could make to the Columbia Bridge crossing. It is one of the very unique infrastructure projects that really reflects big, bold intermodal programs. It includes highways, transit, and freight. It includes an opportunity for just about every mode of transportation to be included. It also includes a lot of different funding sources. That is what makes it creative and very unique. I told both governors that I would find someone within my office that would be on this particular project until we get it to construction.

Senator CANTWELL. And do you view them as a facilitator? My colleague was asking about EIA statements and when you think about every agency going through a different siloed approach to that, you could see how the project could drag on for a long time without those agencies coordinating. So you would view that as a facilitator across the groups.

Secretary LAHOOD. Yes. We would have a person assigned to this project in order to make sure that all the bureaucratic paperwork is coordinated in a way that keeps it moving.

Senator CANTWELL. And completed in a timely fashion.

Secretary LAHOOD. Correct.

Senator CANTWELL. OK, great. Thank you very much for that.

On the Mexican trucking issue, the press release that the President's office issued said Mexico will reduce its retaliatory tariffs by 50 percent once the agreement is assigned and then talked about normalization. What does normalization mean to the Mexican government? I want to confirm that they are going to reduce their tariffs by 50 percent.

Secretary LAHOOD. On the day the agreement is signed, 50 percent of the tariffs will come off. On the day the first truck starts rolling across the border, the other 50 percent of the tariffs will be taken off.

Senator CANTWELL. And that is the understanding in the agreement.

Secretary LAHOOD. That is the understanding of both countries, absolutely.

Senator CANTWELL. All right. Thank you, Mr. Secretary.

Now, back to my opening statement about freight mobility. What are the Department's intentions in creating a dedicated program? And do you think that that strategy is in your office or led by the Highway Administration?

Secretary LAHOOD. One of the things that we did over the last 2 years under the TIGER program, was give half of that money, \$1.5 billion, to our freight rail friends. We want to enhance freight rail. Now, we are doing this in a selfish way because we need our friends in the freight business to help our ability to get our high-speed rail program going because there is not enough money to build infrastructure all over America. We want to use the great freight rail system that we have. We have reached agreements with a number of the freight companies in the States that have received high-speed rail money.

We are very pleased with the cooperation that our friends in freight rail have given to us not only in accepting the money, fixing up infrastructure, and reaching agreements with the states. I think we have about as good a relationship with the class I freight rails as has ever been developed, not only because of the money they receive, but because of the commitment they are making to let us use their tracks. All of this has been coordinated through my office.

Senator CANTWELL. Great. So it sounds like you are ready to take the next step too maybe in coordinating on the physical transportation highway side of coordination—because if you are betting on that rail infrastructure, you have got to put the trucks in a cohesive framework to get to those rails and obviously in coordination with the ports.

You know, obviously, the more congestion there is in any kind of area like Tacoma or Seattle or what have you, and if you do not have a plan like that, you are not only costing consumers in their own transportation, but you are costing the movement of goods and services. We are very, very competitive with Vancouver, British Columbia above us that is willing to take all of this business if we do not get this right.

Secretary LAHOOD. So you are talking about truck.

Senator CANTWELL. In coordination of the system together.

Secretary LAHOOD. Yes, we are committed to a coordinated system. We are working with the trucking industry on their ability to continue to be competitive. They were not particularly enamored with some of the proposals that were being floated around with respect to the Mexican truck, the cross-border, but we met with them and we worked those out. We think the trucking industry is vital.

All of this has been coordinated through my office, and I have taken a personal interest in meeting with the trucking industry and the freight industry and the port industry to really make sure there is a lot of coordination going on.

Senator CANTWELL. Great. Well, we will have some suggestions too about that, and we would appreciate you looking at it.

Thank you, Mr. Chairman.

Secretary LAHOOD. Thank you.

The CHAIRMAN. Thank you, Senator Cantwell.

Senator Begich?

**STATEMENT OF HON. MARK BEGICH,
U.S. SENATOR FROM ALASKA**

Senator BEGICH. Thank you, Mr. Secretary, for being here. I know our schedules have not met yet in the sense of getting to Alaska, but—

Secretary LAHOOD. I hope to be there this summer.

Senator BEGICH. OK.

Secretary LAHOOD. We are coordinating with your office. We will do whatever you want us to do at whatever time, and if we need to be there a week or 10 days, we will stay as long as we are welcome.

Senator BEGICH. I am almost ready to stop asking questions right now.

[Laughter.]

Senator BEGICH. But thank you for that. I know we have just had different scheduling, but I appreciate your commitment.

Let me make sure I understood your comments on—I will use your words—the infrastructure bold vision. I mean, the reality is the vision is there but there is not a funding mechanism yet, and the President is not recommending one. You are waiting to work with us, but there is no funding for it. I just want to make sure we are on the same page.

Secretary LAHOOD. Well, we know that the Highway Trust Fund is a way to fund part of what we want to do.

Senator BEGICH. Sure.

Secretary LAHOOD. Yes.

Senator BEGICH. So we have just got to figure out the gap.

Secretary LAHOOD. That is correct.

Senator BEGICH. On the Infrastructure Bank, which I am intrigued about it—when I was a mayor, we talked a lot about the infrastructure bank. How will you treat rural states? Obviously, in Alaska, we are as rural as you get. Is it intended to have some recognition? It will be hard for us to compete against the large communities just because you will do a calculation, you will base it on population, benefit to people, so forth and so on, and rural States kind of lose out in that formula. Is there any consideration that you are going to take or any—

Secretary LAHOOD. I think a state like Alaska can compete. Certainly your port can compete for infrastructure money, come directly to the Department and because of the port that you have—

Senator BEGICH. The port in Anchorage.

Secretary LAHOOD. Correct, yes. When they were here, I met with them. They have a very good vision. The Infrastructure Bank will fit that vision. So we will be encouraging them to utilize that.

Senator BEGICH. Excellent.

Secretary LAHOOD. Rural America will not be left out. When it comes to roads, we know that there are some places in rural America that need to enhance their roads, and there will be opportunities to do that in our plan, in our vision either through accessing our highway funds or accessing the Infrastructure Bank, through leveraging perhaps some loan programs that we might have. We are committed to rural America, including teaming up with transit programs. But in the case of a state like Alaska, we have to look for some innovative ways. We think the Infrastructure Bank is certainly one of those ways to do that, in addition to our regular transportation program.

Senator BEGICH. Very good.

This was not on my list, but you had made a comment. I want to make sure I understand. It is more of education to people who might be watching or out in the audience here.

The February 11 item you mentioned—is that in the CR that is coming over from the House side?

Secretary LAHOOD. That is in the bill that eliminated \$60 billion worth of programs.

Senator BEGICH. That is in House bill 1 then.

Secretary LAHOOD. Yes, sir, H.R. 1. That is the best way to put it. It is the last sentence of that bill.

Senator BEGICH. Is it February 11 of this year?

Secretary LAHOOD. Yes, sir.

Senator BEGICH. So in other words, as soon as that passes, you are going to have to go claw back resources that communities have put in play already.

Secretary LAHOOD. Any money that is not obligated before February 11 goes back to the Treasury.

Senator BEGICH. So they may have it planned, but it is not yet complete.

Secretary LAHOOD. They may be this close to it, but it does not make any difference.

Senator BEGICH. So you have to go back. What happens if they had signed the documents to obligate February 25?

Secretary LAHOOD. Gone. The money goes back to the Treasury.

Senator BEGICH. So again, I want to make sure I am clear on this. Even if today a community, a state, a city signed a contract, obligates to fund—let us just say obligates because that may not engage—

Secretary LAHOOD. That is right. “Obligate” is the correct word.

Senator BEGICH. Obligates the funds, puts it in the account ready to be put toward a project, they have bids going out or in some cases might have let the bid and it is after February 11, you can come in and say I am sorry, you cannot spend that money.

Secretary LAHOOD. That is correct.

Senator BEGICH. Because the legislation that is pending in front of us today, H.R. 1, has a one-liner in their rider that says that.

Secretary LAHOOD. That is correct.

Senator BEGICH. I just want to make sure. I thought I heard that and I want to make sure it is clear so it is on the record. It is not me saying it. I agree with you on this, and I just want to make sure it is very clear. This will be one of the unique times that people will claw back money that might be obligated for a project that someone might be doing a summer construction project on.

Secretary LAHOOD. I really appreciate your ability to get clarification on this, Senator.

Senator BEGICH. As a member of the former metropolitan transportation planning effort in the City of Anchorage, obligations of monies are critical for our summer construction season. And what I am hearing is goodbye on some of those.

Secretary LAHOOD. That is correct.

Mr. Chairman, could I just continue on this point for one second?

The CHAIRMAN. I am just not as smart as the Secretary and I really did not understand the point you were trying to make. So

after he is finished saying what he wants to say, could you repeat it again?

Senator BEGICH. I want to know how much money do you think will be—I took Amy Klobuchar’s question here. How much money do you think is at risk for communities that have to claw back?

Secretary LAHOOD. We do not know, Senator.

Senator BEGICH. It is not going to be a few hundred million. It could be—

Secretary LAHOOD. It is a lot of money, but more important than the money part, it is very important projects for communities all over America. People are counting on these projects to solve big problems. That is the important point.

I talked to a Congressman today, a Member of the U.S. House today, who did not realize this provision was in that bill. He called me about his project.

Senator BEGICH. I have some others I will just submit for the record because this took me off a little of my track, but I think that was an important point.

Secretary LAHOOD. Yes, sir. Thank you.

Senator BEGICH. Thank you, Mr. Chairman.

The CHAIRMAN. Thank you, Senator.

And now Senator Klobuchar?

**STATEMENT OF HON. AMY KLOBUCHAR,
U.S. SENATOR FROM MINNESOTA**

Senator KLOBUCHAR. Thank you very much and thank you, Secretary LaHood for your leadership.

Secretary LAHOOD. Thank you.

Senator KLOBUCHAR. I appreciated Senator Begich’s questions, and I know I have got some people out in the lobby that I am going to go see that have a road that is very dangerous that the Department has helped fund through the years, but it is still not completed. And I know there are a number of projects out there, including 14 down in southern Minnesota that are very important. So I appreciate your leadership, including the Department of Transportation’s leadership with our 35W bridge. For me, the number one obligation here is safety, and that includes bridges like the I-35W that went down and the ability to get funding when you have a situation like that happening.

Along the lines of safety, Senator Gillibrand and I today reintroduced the Stand Up Act to talk about teen driving and how we can have better graduated standards across the country. Teen drivers are three times more likely to be in fatal accidents than adults. I know you know that.

And I want to also thank you for your leadership on the subject of distracted driving. I know that there is some funding in this budget for taking on the distracted driving issue. We now have 28 percent of crashes that are caused by people talking or texting on their cell phones in this country. Do you want to talk about how you plan to use that funding?

Secretary LAHOOD. What we would like to do, in part, is to make grants to states for enforcement. We believe that the reason that 85 percent of the people are buckling up today is because of Click It or Ticket, which was a very strong program through the Depart-

ment of Transportation where we gave grants to communities for enforcement.

The one thing that is lacking, even though now 30 states have passed good distracted driving laws, is that the police have a lot of other things to do in the kind of enforcement that we need. In the two states we gave grants to, Hartford and Syracuse, in the first 5 days between both communities, they wrote 5,000 tickets, the combined communities did, and distracted driving went down dramatically. So we intend to use that money for grants and also for education.

Senator KLOBUCHAR. Thank you.

Second, last year I wrote you expressing my concerns about the pending lithium battery rule and how it pertains to medical devices, my concerns that the proposal will not sufficiently take into account the rigorous engineering, testing, and safety record of lithium batteries contained in medical devices. So I just wondered what is happening with that rule and if these—

Secretary LAHOOD. I will put it on the record, but I will personally let you know. I do not know the up-to-date.

[The information referred to follows:]

The Administration is conducting an extensive review of the draft lithium batteries final rule due to numerous comments received from industry and foreign governments. Pipeline and Hazardous Materials Safety Administration (PHMSA) is fully aware of the concerns raised by the medical device and consumer electronics industries. These concerns, as well as issues raised by everyone commenting on the rulemaking, will be fully weighed and considered as PHMSA makes decisions concerning a final rule.

Senator KLOBUCHAR. OK, that is fine. We can put a question in writing and ask you.

The Recreational Trails Program is very popular in our state. As you know, RTP is a Federal Highways Administration program that provides funds to the states to develop and maintain recreational trails for both nonmotorized and motorized uses, including cross country skiers, snowmobilers, and many uses. I agree with the proposals to consolidate highway programs, but I wanted to ask about to ask about your view of the RTP and what you see as its future?

Secretary LAHOOD. I think all of these programs are good programs, and we have combined the programs so that we can make better use of the resources. This is a good program.

Senator KLOBUCHAR. Thank you.

I know you met with Governor Dayton a week or so ago—

Secretary LAHOOD. I did.

Senator KLOBUCHAR.—about some of our rail projects and wanted to thank you for your leadership on rail across the country and also the LRT line, the light rail line that connects St. Paul and Minneapolis, the central corridor. And I look forward to inviting you to Minnesota when the line opens in 2014.

Secretary LAHOOD. I look forward to that.

I also look forward to working with your governor. He is a big visionary when it comes to transportation. I have no doubt that Minnesota is going to be in the high-speed rail business because of your leadership, his leadership, and others in the State that want to really move on this.

Senator KLOBUCHAR. OK. Well, thank you very much, Secretary LaHood.

Secretary LAHOOD. Thank you.

The CHAIRMAN. Senator Pryor?

**STATEMENT OF HON. MARK PRYOR,
U.S. SENATOR FROM ARKANSAS**

Senator PRYOR. Thank you, Mr. Chairman.

Mr. Secretary, thank you. Always good to see you.

Secretary LAHOOD. Thank you.

Senator PRYOR. I really want to thank you for always being available and always be responsive, and I appreciate that very much, as do many of the members of this committee, as far as I know, every member of the Committee. So thank you for that.

Let me just ask a couple of sort of subissues on your cross border trucking program and proposal. The first would be we have had very serious corruption problems along the Mexican border with the Customs and Border Patrol. And I noticed that there is a recent news story about one of the FMCSA agents up in Canada having a corruption issue. So that is a very important element to me that we not allow our agents along our southern border to become corrupted. And as you know, there are lots of drugs down on that border, and there is basically organized crime. You know, these Mexican drug cartels are just really taking over down there.

I would encourage you and your staff to look at some of the things we have helped Customs and Border Patrol do in terms of polygraphs and background checks, et cetera. So I would recommend that to you as a model.

But the second thing is I hope that as you are doing this program, I hope that are using electronic, on-board recorders as part of the base of the program.

Secretary LAHOOD. Electronic on Board Programs are part of the program. We need that kind of technology to make sure we know drivers' hours of service and make sure that they are complying with that.

Senator PRYOR. Yes. To me, that is a very simple solution because it helps so much with knowing all the—

Secretary LAHOOD. Every truck will be required to have an on-board recorder.

Senator PRYOR. Right. Well, that is great news.

Second, on the future interstate corridors, we have two in our state that are not completed, Interstate 49 and Interstate 69. I know you met with a group from Arkansas, the stakeholders on 49.

Secretary LAHOOD. Yes.

Senator PRYOR. And again, I appreciate you doing that.

And you also helped with some TIGER Grant money there, not nearly as much as we wanted, but you did help with some TIGER Grant money there. And I appreciate that.

But I am interested to know the level of this administration's commitment to those corridors. And the reason I am thinking this is so important is both of those—and there are probably others in the country, but both of those happen to be north-south corridors, and with the improvements on the Panama Canal, my sense is there will be a lot more need for north-south traffic in this country.

How committed is this administration in funding those corridors and trying to get some of that work completed in the relatively near future?

Secretary LAHOOD. Having met with you about this a couple of times, Senator, and also with constituents, this needs to be completed, and we are committed to working with your folks and your state and you to see that both are completed.

Senator PRYOR. Well, I appreciate that.

In our state, high-speed rail is something that is certainly a policy that we ought to consider as a nation, but when I see the numbers there and I see that, for example, my state and many other States will not directly benefit from high-speed rail—possibly indirectly depending on how you look at it. But I wonder if we were to make that same commitment for these corridors in question, just how quickly we could get this done. So I hope that as you are going through this—I know you have a lot on your plate, but I hope you will consider allocating an equal or maybe even a greater amount to try to finish some of those future interstates.

Secretary LAHOOD. Yes. If you look at the President's budget, Senator, we are committed big-time to roads and bridges, over \$300 billion for roads and bridges. We are not trying to short-change anything. We get it. What we are good at are roads and bridges. We have proven that time and time again.

Senator PRYOR. Well, thank you for saying that.

And the other thing—this may be my last question. But the other question I wanted to ask is this. NHTSA safety programs have been funded through the Highway Trust Fund and the vehicle safety program has been funded through general appropriations. As I understand your proposal in your budget, you are trying to change that this year. So in 2012, the Department is proposing funding the entire agency through the newly renamed Transportation Trust Fund.

Secretary LAHOOD. Yes. I am going to let Chris talk about that.

Senator PRYOR. Why?

Mr. BERTRAM. Senator, the idea for funding NHTSA from the trust fund on both the vehicle side, as well as the behavioral side, is the basic concept that the taxes paid in the trust fund are paid by motorists. They benefit from the safety program. So it is appropriate to fund that from the trust fund just like we do for motor carriers and trucking safety programs.

Senator PRYOR. Will you have enough revenue to do this? I mean, is this not the question with the trust fund, is how do we pay for all this?

Mr. BERTRAM. The existing money going into the trust fund would first go for safety programs, both for motor carriers and for NHTSA.

Senator PRYOR. Mr. Chairman, in our office we have talked about infrastructure. We need infrastructure. But it is kind of hard to have a serious conversation about infrastructure without at least talking about how to pay for it. I know everybody has good intentions on this, but around here in Washington, people like to talk about investing in the future and investing in infrastructure, but until we come to terms with how to pay for it, it is kind of hard to have a very serious conversation about that.

But thank you, Mr. Chairman. I appreciate it.

The CHAIRMAN. We carry through at least. We are the same ways on wars.

Senator PRYOR. Yes, I understand.

The CHAIRMAN. And now to the distinguished Senator Snowe.

**STATEMENT OF HON. OLYMPIA J. SNOWE,
U.S. SENATOR FROM MAINE**

Senator SNOWE. Thank you.

Welcome, Mr. Secretary.

First of all, I would like to follow up on the question that was posed by the Senator from New Hampshire, Senator Ayotte, regarding the Memorial Bridge. I know what you referenced in terms of the TIGER funds and the concern that exist in the continuing resolution. I share that concern. I am hopeful that in the U.S. Senate we have the ability to offer a few amendments so we can address some of these issues rather than being denied that. I think there is a reversal of roles. The House is now offering amendments. The Senate is not allowed to in accordance with the traditions of the U.S. Senate. But in any event, that is another story.

The point is here on the Memorial Bridge, obviously—and I really thank you and I know, speaking for both delegations here, saying that your support and in coming to Maine and to New Hampshire in order to present that \$20 million check and describing the bridge as one of the worst in America. So obviously it has been the paperwork and the intensive regulatory requirements that have stalled this project in receiving the money.

What can be done differently? I know that it has taken more than 6 months for the paperwork to be completed, even though you offered the paper check back in October. So what takes so long? Is there anything we can do to expedite that process?

Secretary LAHOOD. I am going to look at these two documents to see if they are so similar that we can really short-circuit some time here in order to get the agreements that we need.

Senator SNOWE. You know, it is pretty much the same bridge in many respects. So I do not know that there is much that will deviate from the original model, as Senator Ayotte has indicated.

Secretary LAHOOD. Right.

Senator SNOWE. I really do think it is important because it is more than 6 months, and so obviously we should have been able to move forward on that project, irrespective of what the issues are here now. I realize it complicates the matter in terms of the CR, but hopefully we will be able to address that issue eventually.

Secretary LAHOOD. I am going to give you the same commitment that I gave to the Senator from New Hampshire. We are going to try and get this done as quickly as we can. We are going to look at the documents and we are going to see if we can cut some time off.

Senator SNOWE. Thank you. We appreciate that.

Second, on the question of truck weights—and I know that the safety issue is obviously within our jurisdiction. All of this is within your jurisdiction. And as you well know, this has been a primary issue for our State. And there are other States, the State of Vermont, and there are States across the country that do not have

the benefits of a truck weight waiver on the interstate. And this is what we are facing in Maine.

I have discussed this with you before, and I am just wondering if you have any thoughts or ideas as to how best to tackle this issue of fairness and equity here so that every State has the benefit of opting for the truck weight limits. Now we are restricted to 80,000 pounds. We would like 100,000. There are more than twenty states across this country that have waivers.

I have been fighting this issue for years, and my other colleague from Maine, Senator Collins, has as well. But I know when I first came here, we were fighting this issue, and everybody said it is a safety issue. Well, it sure is a safety issue but not in the way they regard it. I mean, all of these trucks are going right through some very small towns. We have had accidents. It has been a very compelling question. And so what we are saying, we would rather have these trucks on the interstate than going through some very small towns and two-lane highways through these small towns. It is raising some very serious issues when it comes to safety-related questions.

So I do not understand how so many other states can have waivers and the others are denied even the ability to opt into having a waiver program, especially now with high gas prices, diesel fuel prices, safety issues. I mean, across the spectrum it offers numerous benefits.

So is there anything you could recommend as an approach? I was thinking maybe giving you a waiver. You know, you have the ability to issue waivers to those States who currently do not have the benefit of waivers, I think most of which have occurred through the legislative process. But somehow we have to streamline this across the country so that every State has the benefit of opting into the waiver program.

Secretary LAHOOD. I think given the fact that we deal in safety every day, that we have very good safety experts, that we have a great team of people, that we can see the view of this from 30,000 feet so to speak. I think giving the Secretary the opportunity for looking at specific—this is a very specific problem for your state. Giving the Secretary the opportunity to look at it from the big view, from the safety view, from a different safety optic than maybe another state safety optic is not a bad idea. You could certainly do that in a transportation bill.

Senator SNOWE. Well, I am certainly looking at that approach. That way you have a level of fairness for every state.

Secretary LAHOOD. That is correct.

Senator SNOWE. I think so because I have given tapes to show what it is like to see these trucks rumbling through these small towns.

Secretary LAHOOD. Right.

Senator SNOWE. I mean, it is a serious question. And then, of course, there are economic benefits as well for the trucking companies and now with the costs of energy.

So I would hope that we could work on that issue, and perhaps that is one way of doing it.

Secretary LAHOOD. Yes.

Senator SNOWE. You can do it on a case-by-case basis. At least every state would have the opportunity for it.

Secretary LAHOOD. Right.

Senator SNOWE. Thank you.

Secretary LAHOOD. Thank you.

The CHAIRMAN. Thank you, Senator Snowe.

Senator Ayotte?

Senator AYOTTE. Thank you, Mr. Chairman.

Mr. Secretary, I just wanted to follow up with the House bill and the language in it to clarify with you that the funding for the Memorial Bridge is actually TIGER II competitive grant funding. And the specific language in the House continuing resolution actually applies to stimulus or ARRA funds. So right now where we stand with the Memorial Bridge is if you look through this paperwork process and were able to obligate the funds before March 18, that project could still go forward regardless of what happens with the House bill.

So I just wanted to clarify that with you and I really appreciate not only your coming to New Hampshire, as the Senator from Maine mentioned, and to Maine, but also your commitment to review the paperwork. And I can certainly provide you—I know you will have access to the paperwork, but we did a side-by-side comparison as well.

Secretary LAHOOD. Great. Yes, I would like to see that.

Senator AYOTTE. Well, thank you very much for your testimony today. I appreciate it.

Secretary LAHOOD. Thank you.

The CHAIRMAN. Mr. Secretary, I think that that is probably it, if that is all right with you, unless you would like to stay another hour or so.

[Laughter.]

Secretary LAHOOD. Mr. Chairman, I would always like to spend another hour with you.

The CHAIRMAN. One of the things that is interesting about these hearings is that there is a certain amount of national policy which comes into it, but a lot of it does come back to local issues. And that is called human nature. That is called representing your state. There is no law or ethical value you can possibly promulgate that would change that. But I can understand from time to time it would frustrating to you because you are dealing with extremely large issues—trucking, highways, FAA. But it is frustrating because you do deal in policy. When you go back to your office, you are dealing in policy, and you see people. They come in and they probably have bridges and other types of things they care about.

But you seem to have a very adaptable balance between the two. I mean, you are easy both in responding to people's needs without seeming frustrated or, you know, I got things to do. And yet, you are obviously very comfortable in the policy part. So it is a very special honor to have you here.

Secretary LAHOOD. Thank you.

The CHAIRMAN. It is a big deal because we really do want to get a reauthorization done. I think we can.

Secretary LAHOOD. We appreciate that.

The CHAIRMAN. And we will do our best.

Secretary LAHOOD. Thank you.
The CHAIRMAN. Thank you, sir.
Secretary LAHOOD. Thank you, Mr. Chairman.
The CHAIRMAN. The hearing is adjourned.
[Whereupon, at 3:45 p.m., the hearing was adjourned.]

A P P E N D I X

RESPONSE TO WRITTEN QUESTIONS SUBMITTED BY HON. JOHN D. ROCKEFELLER IV TO HON. RAY LAHOOD

Question 1. I commend the National Highway Traffic and Safety Administration (“NHTSA”) in partnership with the Environmental Protection Agency (“EPA”) in their historic effort to reduce greenhouse gas (“GHG”) emissions from mobile sources and reduce oil consumption through improvements in fuel economy. I recognize the vast challenge before the two Agencies and applaud the development of a workable solution that protects the environment while providing flexibilities important to maintaining a viable automotive industry. While much public attention has been placed on emerging technologies such as electrified vehicles, some advocates suggest that technologies to improve the fuel efficiency of gasoline and diesel engines have great potential in the short term. What technologies do you believe will be helpful to reducing GHG emissions and our Nation’s dependence on foreign oil?

Answer. NHTSA is working with EPA to propose new fuel economy and greenhouse gas standards for passenger cars and trucks built in model years (MYs) 2017 through 2025. The coordinated standards will be a key part of meeting the Administration’s energy and climate security goals, which call for the increased domestic production and use of existing, advanced, and emerging technologies to strengthen the auto industry and enhance job creation in the United States. The standards are intended to save consumers money by cutting down on fuel costs. They will also help to improve our Nation’s energy security by reducing dependence on petroleum, and to protect the environment by reducing greenhouse gas pollution that leads to climate change.

NHTSA is required by statute to set fuel economy standards at the “maximum feasible” level, based on considerations of technological feasibility, economic practicability, the effect of other motor vehicle standards of the Government on fuel economy, the need of the United States to conserve energy, and other factors. As part of determining what fuel economy standards would be the maximum feasible for the MY 2017–2025 timeframe, NHTSA is assessing a broad array of fuel economy improving technologies that are expected to be available then. This includes existing, advanced and emerging technologies.

For conventional gasoline engines, some of the technologies we will examine for application to future vehicles include gasoline direct injection engines, cylinder deactivation, valve timing and/or lift control, engine turbo charging and downsizing, engine friction reduction, six and eight speed automatic and dual clutch transmissions, start-stop micro-hybrid technology, and improved accessory efficiency. Most of these technologies are expected to be available in the MY 2012–2016 timeframe, as mentioned in the recent NHTSA and EPA final rule, but they may not all be widely applied during that timeframe. NHTSA and EPA therefore expect that manufacturers could expand the application of these technologies to the majority of vehicle models in subsequent years. Other gasoline engine technologies are currently under development by manufacturers and are expected to be used on a more limited basis in MYs 2012–2016, but should see wider application after MY 2016. These include gasoline direct injection engines with cooled exhaust gas recirculation, and with a larger degree of engine downsizing and high level of turbo charging.

Diesel engines have inherently higher efficiency than gasoline engines because of lower pumping losses and higher thermal efficiency. We expect that diesel engine efficiency will also be improved in the future.

Fuel efficiency should also be improved through non-engine/drivetrain technologies like better tire rolling resistance, vehicle aerodynamic drag reductions, brake drag reductions, vehicle mass reduction and the expanded use of electric power steering.

Finally, in the MY 2017–2025 time-frame we expect to see the expanded production of Hybrid Electric Vehicles, Plug-in Hybrid Electric Vehicles, Electric Vehicles and the advent of commercial Fuel Cell Vehicles.

Question 2. Secretary LaHood, you have been a leader on the issue of distracted driving. The President's budget request signals a continuing interest in reducing distracted driving through the creation of a Distracted Driving Prevention Grant Program. You have expressed concern in the press about the increasing presence of technology that is built into vehicles and allows people to conduct electronic communications while they are driving. What steps is the Department taking to determine the safety of these systems? Is the Department also looking at the emerging technologies designed to prevent distraction in vehicles? What efforts are being made to encourage the integration and adoption of technologies designed to prevent distracted driving by drivers, fleet owners, manufacturers and wireless carriers?

Answer. The Department of Transportation remains concerned about the safety consequences of distracted driving, including the increasing presence of electronic communications systems built into vehicles. To address this, the Department is developing Federal guidelines that will encourage in-vehicle electronic devices with driver-vehicle interfaces (DVIs) that require minimal driver effort. The National Highway Traffic Safety Administration (NHTSA) will complete the guidelines for visual-manual distraction in 2011. Future guidelines will cover portable devices and voice interface systems with completion scheduled for 2013 and 2014, respectively. In addition, research is being conducted to observe how drivers interact with in-vehicle electronic systems during normal driving conditions (naturalistic driving studies) to better understand the safety impact of new technologies on driving.

For emerging safety technologies, NHTSA is continuing its research into crash avoidance safety systems with a focus on optimizing DVI so that the driver is alerted in the most effective manner possible that they are distracted. NHTSA is also researching other newer technologies and concepts, including advanced driver/vehicle monitoring concepts that would sense driver impairment caused by distraction.

The agency's activities are outlined in NHTSA's Distraction Program Overview, which can be found at www.distraction.gov.

In terms of encouraging technology integration and adoption, the Department has held two Distracted Driving Summits to bring leading academic researchers, technology innovators, automobile manufacturers, wireless carriers, State and Federal representatives, and many other interested stakeholders together to discuss and share solutions to the problem of distracted driving. As a result of these meetings, the Federal Communications Commission (FCC) established a technology clearinghouse. The FCC's Distracted Driving Information Clearinghouse provides links to information about firms and organizations providing technology approaches intended to reduce the dangers of distracted driving. One innovative new technology discussed at the summits is cell phone filter/blocker applications, which can be installed on cellular phones to restrict or block features such as text and data transmissions. Wireless carriers have now integrated these types of applications as an option for customers.

Question 3. The President's budget proposes \$53 billion in high-speed rail funding over 6 years, a massive investment in our rail infrastructure. However, Governors from Wisconsin, Ohio, and Florida are turning back funds that you've awarded for their passenger rail projects. The House has also made clear that it wants to cut funding for these programs entirely. How are you going to convince the states that more Federal investment in passenger rail projects is necessary?

Answer. States have responded to the High-Speed Intercity Passenger Rail (HSIPR) program with intense competition for Federal funds. Although 3 Governors have returned funds, 32 have enthusiastically accepted HSIPR resources and are interested in being a part of this program. In just 20 months, the Federal Railroad Administration received nearly 500 applications from 39 states, the District of Columbia, and Amtrak, requesting more than \$75 billion for high-speed and intercity passenger rail projects. This interest has far exceeded the \$10.1 billion available under the Recovery Act and FY 2010 annual appropriations.

Intercity passenger rail provides consumers with an affordable travel alternative that is increasingly more attractive given the time consuming travel to and from airports, the time consuming check in and security procedures for air travel, and the time wasted on congestion-choked highways. Based on the Harris Poll survey conducted in January 2011, 66 percent of Americans indicate they are somewhat or very likely to consider using high speed rail service when traveling for pleasure.

High-speed passenger rail can also create a new economic base with highly skilled, good-paying jobs. The Northeast Corridor, for instance, carries 65 percent of the air-rail traffic between Washington, D.C., and New York City, and is a vital transportation mode in the region's \$2.4 trillion economy.

Question 4. You propose establishing a National Infrastructure Bank that would partner with private investors to invest in major transportation projects—thereby

getting more bang with the Federal buck—and that funds from the Bank would be competitively awarded to projects based on which project produces the highest return to the American taxpayer. This sounds interesting to me, but I'm unclear how this would actually work.

West Virginia works extremely hard to attract private investment, but has a rural infrastructure and geography that makes transportation construction enormously expensive. How did DOT determine that demand from the private sector to partner on these types of projects exists? How do you plan to determine the return to the taxpayer? What are some examples of projects that would best fit this model?

Answer. The National Infrastructure Bank (I-Bank) will encourage private, State, and local entities to invest capital in projects that are most critical to our economic progress. The I-Bank will base its investment decisions on clear analytical measures of value-for-cost and level of non-Federal co-investment, competing projects against each other to determine which will project the greatest return for American taxpayers.

The demand for this type infrastructure investment is evidenced by the recent level of interest in the Transportation Infrastructure Finance and Innovation Act (TIFIA) program. The TIFIA program provides up to 33 percent Federal credit assistance in the form of direct loans, loan guarantees, and standby lines of credit to finance surface transportation projects of national and regional significance. In FY 2010, 39 projects with a total cost of \$40.9 billion were seeking TIFIA financial assistance of \$12.5 billion. In FY 2011, 34 projects with a total cost of \$48.2 billion were seeking TIFIA financial assistance of \$14.0 billion. The letters of interest for the TIFIA program have requested financial assistance for a wide variety of transportation infrastructure projects and we anticipate these same types of projects will compete for I-Bank funding.

Question 5. We've seen some alarming pipeline accidents in the past several months. Just last month, a gas pipeline explosion in Pennsylvania left five people dead. The President's budget calls for a \$15 million increase in pipeline safety funding. Is this amount sufficient to address these horrific accidents? What specifically would this proposed increase allow the Department to do to increase safety? Also, DOT's regulatory model over pipeline safety relies heavily on the states and industry to police themselves. Is this model working? Do we need a more centralized approach to providing the regulatory oversight that is needed in this industry?

Answer. Yes. PHMSA believes the President's budget for pipeline safety is sufficient to address these accidents.

As recent pipeline failures have shown, the Department needs stronger authority in several key areas of its pipeline safety program including: increasing oversight of both the operation and the construction of energy pipeline operators, by adding needed new Inspection and Enforcement personnel (the FY2012 Budget proposes an additional 10 personnel), and by allowing PHMSA to maintain the rigor of its special permit review and approval process by bringing in critically needed national-level technical support. PHMSA believes the current regulatory model is appropriate for pipeline safety. PHMSA and its State partners have provided regulatory oversight of the pipeline industry for 40 years. Since PHMSA's data collection process was authorized around 1986, pipeline incidents resulting in serious injury or death are down 45 percent. PHMSA's states pipeline safety program is one of PHMSA's strongest assets in helping to strengthen the safety of the pipeline infrastructure. PHMSA works with its state partners to ensure consistent and effective oversight by annually coordinating inspection programs and areas of inspection and enforcement focus; conducting joint training for all Federal and state inspectors; and participating in monthly coordination calls with the leadership of the National Association of Pipeline Safety Representatives (NAPSR). PHMSA also carries out annual onsite evaluations of state programs in which it reviews state procedures and records and observes field inspection activities to ensure they are aligned with Federal program objectives.

Question 6. In regard to the Aviation Trust Fund, fuel prices continue to go up and a downturn in traffic would have major ramifications for its health. How do we protect the Trust Fund moving forward? Has the Administration been considering any reforms to make sure it is stable into the future?

Answer. FAA continually monitors the health of the Airport and Airway Trust Fund including projections of revenue, outlays, and cash balances to avoid over-committing resources from the Trust Fund. Section 48114 of Title 49 provides an additional protection to the Trust fund by guaranteeing that annual appropriations from the Trust Fund cannot exceed the annual revenue projections. The 2012 Budget forecasts robust cash balances in the Trust Fund in the out years ranging from \$7.6 billion in 2012 to \$11.8 billion in 2016.

RESPONSE TO WRITTEN QUESTION SUBMITTED BY HON. AMY KLOBUCHAR TO
HON. RAY LAHOOD

Question. Mr. Secretary, Last year I wrote you expressing my concerns with the pending lithium battery final rule and how it pertains to medical devices. Although I am a strong advocate for the safe shipment of batteries, I remain concerned the proposal will not sufficiently take into account the rigorous engineering, testing and safety record of lithium batteries contained in medical devices. These FDA approved products are designed to be implanted in the human body for many years, and do not pose safety threats. I am also concerned the proposal would cause unnecessary delays in the distribution system and severely impact patient access to these critical life-saving technologies. The consumer electronics industry is also concerned about the proposed final rule because the nature of their supply chains and their ability to serve consumers in the on-line, 24-hour, next-day-shipping market place. Will the final rule properly address these concerns?

Answer. The Administration is conducting an extensive review of the draft final rule due to numerous comments received from industry and foreign governments. PHMSA is fully aware of the concerns raised by the medical device and consumer electronics industries. These concerns, as well as issues raised by everyone commenting on the rulemaking, will be fully weighed and considered as PHMSA makes decisions concerning a final rule.

RESPONSE TO WRITTEN QUESTIONS SUBMITTED BY HON. MARIA CANTWELL TO
HON. RAY LAHOOD

Question 1. Secretary LaHood, last week the President announced that a "clear path" to resolving the cross border trucking issue had been reached with the Mexican government. I, of course, was happy to hear that a way forward had been found to eliminate the tariffs that have been disproportionately harming my State. What steps have to be taken by the U.S. and Mexican governments before the agreement can be signed?

Answer. On April 13, 2011, the Federal Motor Carrier Safety Administration (FMCSA) announced its proposed pilot program in the Federal Register. The U.S. Department of Transportation (DOT) signed a memorandum of understanding with the Government of Mexico on July 6. On July 8, 2011, a response to comments notice was also published in the Federal Register. The Government of Mexico decreased the tariffs by half. The remaining tariffs will be removed when the first Mexico-domiciled carrier is granted provisional long-haul authority under the pilot program.

Question 1a. When does the Administration expect the agreement to be signed?

Answer. The U.S. DOT signed a memorandum of understanding with the Government of Mexico on July 6, 2011.

Question 1b. What steps have to be taken by the United States and Mexican governments before the pilot project becomes operational?

Answer. Legally, the DOT Inspector General must complete a review of FMCSA's plans for the pilot and publish a report. The Agency must then respond to any findings of that report in a Report to Congress before the Agency can authorize a Mexican carrier to operate beyond the commercial zones under this program.

Operationally, the United States must procure and install electronic monitoring devices on participating Mexican trucks. In addition, the applicants must be vetted by the Department of Homeland Security and the Department of Justice.

Once the applicant successfully completes the vetting process, FMCSA will have to complete a Pre-Authorization Safety Audit (PASA) to confirm the participating drivers, vehicles and carriers will operate in a safe manner in the United States beyond the commercial zones on the U.S.-Mexico border. The PASA process includes publishing information in the Federal Register to provide the public an opportunity to comment on the safety of carriers that have successfully completed their PASA reviews.

Concurrent with completion of these actions, FMCSA will provide training to enforcement staff, complete necessary information technology system changes, and maintain up to date information about the program on its website.

Question 1c. When does the Administration expect the pilot to become operational?

Answer. DOT expects to issue provisional authority to the first approved applicant in September 2011.

Question 2. Secretary LaHood, as you know, the Columbia River Crossing (CRC) project connecting Vancouver, Washington and Portland, Oregon is a first of its kind

multi-modal mega-project. It is not only a replacement for the I-5 Bridge; it is a highly innovative project that incorporates light rail into the structure. It enjoys strong local support.

I appreciate your commitment to assign an individual from your office to “Shepherd” the project through the DOT bureaucracy until construction. More broadly, what institutional mechanisms, if any, do you believe should be put in place to ensure that the Department systematically approaches multi-modal mega-project such as the CRC in a coordinated and timely manner?

Answer. DOT Operating Administrations have worked successfully across modes on multi-modal projects like the CRC. One notable example of this is FHWA’s and FTA’s work on the T-REX project in Denver. In this and other instances, the DOT Operating Administrations have proven very flexible in the funding and oversight of such innovative projects.

The Department’s approach to the CRC, with an FHWA full-time employee located in Vancouver solely dedicated to this project, is a model for demonstrating how complex multi-modal projects can be approached and coordinated among different modal agencies in an efficient and timely manner. FHWA staff is in regular contact with FTA personnel. In addition there is regular discussion between personnel in USDOT Headquarters and the FHWA onsite person to ensure there is not a duplication of effort between the FTA and FHWA requirements to obligate funds. USDOT is committed to managing the CRC project to ensure that coordination issues between agencies will not affect the obligation of funds for this very complicated project.

Question 2a. Public Law 111–117 Section 173 states “Hereafter, for interstate multi-modal projects which are in Interstate highway corridors, the Secretary shall base the rating under section 5309(d) of title 49, United States Code, of the non-New Starts share of the public transportation element of the project on the percentage of non-New Starts funds in the unified finance plan for the multi-modal project: Provided, That the Secretary shall base the accounting of local matching funds on the total amount of all local funds incorporated in the unified finance plan for the multi-modal project for the purposes of funding under chapter 53 of title 49, United States Code and title 23, United States Code: Provided further, That the Secretary shall evaluate the justification for the project under section 5309(d) of title 49, United States Code, including cost effectiveness, on the public transportation costs and public transportation benefits.” My understanding is that in spite of the above language, FTA is still pushing for the project sponsors to provide a 20 percent local match on the transit component for the CRC—an example of an interstate multi-modal project described in Section 173. Why?

Answer. Every grant that FTA awards for a capital transit project funded under 49 U.S.C. Section 5309 must include a local share of at least twenty percent of the total project costs. See 49 U.S.C. § 5309(h)(1). The provision under Public Law 111–117 does not excuse compliance with this requirement. Rather, Section 173 of Public Law 111–117 gives interstate multi-modal project sponsors the ability to count their expenditures on highway facilities and equipment toward the requirement for a twenty percent local share on the transit project that will be the subject to the local cost share provisions in 49 U.S.C. § 5309(h)(1). At this point, we have every reason to believe the CRC project sponsors will be able to meet the requirement for a twenty percent local share under the provisions of Section 173 of Public Law 111–117.

Question 3. Secretary LaHood, one of the reasons the CRC project is so important to the region and the Nation is that it will improve freight mobility within the I-5 corridor.

A 2007 GAO report cited the three key barriers inhibiting intermodal transportation as being: (1) limited Federal funding targeted to such projects, in part due to statutory requirements; (2) limited collaboration among the many entities and jurisdictions involved; and (3) limited ability to evaluate the benefits of such projects. Almost 4 years later, what, if anything, has changed fundamentally? Is the Department’s freight strategy coordinated by your office or is it led by the FHWA? What are the Department intentions with respect to creating a dedicated freight mobility program?

Answer. The Administration recognizes the critical role freight rail plays in our Nation’s economy, and that is why the President proposed, in the FY 2012 Budget, a major increase in funding for freight projects. The Budget proposed \$5 billion in 2012 and \$30 billion over 6 years, for the National Infrastructure Bank. These funds can be leveraged across all modes—ports, railroads, and highways—in ways that increase the Nation’s economic competitiveness. The President also proposed creating a new \$16.75-billion Highway Infrastructure Performance Program, which will focus

on improving the state of good repair of the National Highway System—our key highway network for freight transportation.

Limited collaboration among the many entities and jurisdictions involved in planning of transportation improvements has also interfered with solving freight problems. This has been amplified by restricted funding and in turn, little incentive to do work together. We believe that making freight infrastructure funding available through a competitive program (like the National Infrastructure Bank), where all modes of freight transportation are eligible, will create incentives for these entities to collaborate on finding the best solutions to our freight transportation problems.

Systematic evaluation of the benefits and costs of transportation projects has generally not been required in the past. As a result, the methods for carrying out these analyses were not always well-developed. We have required analyses of benefits and costs in our two rounds of TIGER Grant awards, and the ability to measure benefits is improving. We plan to do further research into these issues to enhance our abilities to assess the full range of benefits that freight transportation improvements can provide.

The Administration's surface reauthorization proposal included the establishment of an Office of Freight Policy in the Office of the Secretary of Transportation that would coordinate freight policy across the various modal administrations. This Office would develop a National Freight Transportation Strategic Plan and provide guidance to the modal administrations and to the National Infrastructure Bank on where investments in freight transportation infrastructure are most needed. The proposed National Infrastructure Bank would take the lead on investing Federal discretionary funds in freight transportation projects, including both modal and intermodal projects that will best contribute to achieving our strategic goals.

Question 4. Secretary LaHood, ridership continues to increase on the Amtrak Cascades high-speed corridor. As you know, the route connects Eugene, Portland, Seattle, and Vancouver. What is the status of the discussions between Washington State Department of Transportation (WSDOT) and the Federal Rail Administration (FRA) for the roughly \$161 million in additional funds (returned by Wisconsin) to fund high-speed rail projects from Seattle north to the Canadian border?

Answer. WSDOT has been approved to receive \$161 million of funds returned by Wisconsin. FRA and WSDOT are in the process of finalizing the amendment to add the redistributed funds to support the high-speed rail projects from Seattle north to the Canadian border.

Question 4a. What are the key unresolved issues between WSDOT and the FRA?

Answer. There are no unresolved issues.

Question 4b. Do you see an urgency to complete these negotiations soon?

Answer. Yes. To be able to take a full advantage of the construction season and to get the funds obligated and according to the agreement and work schedule between the WSDOT and FRA this project is a priority.

On Feb. 28, 2011, FRA obligated \$590 million to WSDOT to fund several infrastructure improvements along the Pacific Northwest Rail Corridor.

Question 5. Without getting bogged down in specific numbers, does the President's FY 12 budget allow for the implementation of Next Generation Air Transportation System (NextGen) to stay on track?

Answer. The President's FY 2012 budget for NextGen is sufficient to continue the transformation of our Nation's air traffic control system and deliver on our near-term NextGen commitments. The budget allows the FAA to continue to focus on the top priorities for the development and implementation of NextGen, to include making progress toward industry priorities reflected in the RTCA Task Force recommendations.

Question 5a. One of the barriers to the rapid adoption of NextGen for airlines is that their equipage costs are upfront but their benefits will not be realized for several years out. There have been discussions on the Hill in recent years about providing some form of financial incentives to convince airlines to equip their planes sooner rather than later. Does the Department have a view on who should pay for NextGen equipment costs and how they should be paid for?

Answer. NextGen will deliver significant benefits to the aviation community. However, as has been widely acknowledged, achieving the full capability of NextGen benefits requires significant operator commitment and financial investment. Ensuring that a significant portion of the aircraft fleet is appropriately equipped to take advantage of NextGen capabilities is one of the most critical challenges to achieving success.

The FY 2012 Budget proposal to create a National Infrastructure Bank proposes that equipment in support of the Next Generation Air Transportation System (NextGen) could be an eligible activity. Further, in response to recommendations

from the Secretary of Transportation's Future of Aviation Advisory Committee (FAAC), FAA has asked the NextGen Advisory Committee (NAC), which includes senior industry participants, to provide a comprehensive set of recommendations on equipage and operational incentive policies. It is expected that the recommendations will be provided by September 2011.

Question 6. Mr. Secretary, as you know, DOT was not originally included in the President's National Export Initiative and you were not part of his Export Promotion Cabinet. I thought that was a serious oversight because there is an important role that domestic transportation policy has in ensuring that the majority of products our Nation exports arrives at and departs from our seaports quickly, efficiently, and at the lowest possible cost. I sent a letter to the President in April 2010 asking that the Department be added to the Initiative and you to his Export Promotion Cabinet. I was glad to learn that subsequently such actions were taken. What do you think will be the most important contributions the Department will make toward the goal of doubling our exports within 5-years?

Answer. The domestic U.S. transportation system, including roads, railroads, waterways, and ports, is of vital importance in promoting exports, since it provides the means to move those exports from where they are produced to export points.

The most important contribution toward the goal of doubling our exports will be in focusing Departmental resources on the transportation assets that are in the national interest and that improve the Nation's economic competitiveness. The objective is to improve the transportation infrastructure that is a key underpinning to efficient export supply chains. Our surface transportation reauthorization proposal includes an Office of Freight Policy, a National Infrastructure Bank (NIB), and a consolidation of highway programs that focus funds on an enhanced National Highway System that moves 97 percent of truck borne long haul freight. The Office of Freight Policy would coordinate freight policy across the modal administrations within USDOT, identify a National Freight Transportation System, establish a national freight transportation strategic plan, and identify opportunities to make infrastructure investments on those assets that would make transportation of exported products less costly and more reliable. The NIB would use the national freight transportation system strategic plan as input to determine funding for these critical transportation improvements. The new highway program format creates a \$16.75-billion Highway Infrastructure Performance Program (40 percent of apportioned funds), which will focus on improving the state of good repair of the National Highway System—our key highway network for freight transportation.

The Pacific Northwest, and especially Washington, will be very important to the export initiative, since Washington ports (particularly Vancouver and Kalama) export large quantities of grain. Other exports, including coal and automobiles, are also expected to grow in the near future. The Port of Vancouver received TIGER II funding in 2010 to improve rail access to the port.

Question 6a. Last month, representatives from DOT and the Department of Commerce held a public meeting in Seattle with the region's large ports, industry shippers, and infrastructure providers, looking for input on ways to improve the efficiency of the U.S. supply chain in the Pacific Northwest. Thank you for doing that. I don't know if the information from the meeting has made it up to you. If it has, what are your initial thoughts about some of the unique transportation challenges the supply chain faces in the Pacific Northwest? How does the Department plan to act on that information?

Answer. The collaborative effort between DOT and DOC started in May, 2009, and we have cemented that effort with an MOU, in which we have agreed to develop and promote interagency coordination and collaboration and cooperation with stakeholders to improve the national economy by promoting a competitive and environmentally sustainable supply chain infrastructure. As part of that activity the two Departments have held regional listening sessions in Atlanta, Chicago, Kansas City and Seattle to better understand transportation infrastructure challenges to goods movement in those regions of the country, particularly in how that infrastructure can support American global competitiveness and the National Export Initiative. More sessions are being scheduled for the Gulf, New York/New Jersey, and Southern California.

At the Seattle session, as with several of the other sessions, we heard concerns that landside access issues at the major ports were constraining economic growth. There were many comments about the need for a national freight policy to target Federal transportation investments that advanced the Nation's economic interest. These two concerns were particularly relevant in the Pacific Northwest (PNW), since the Canadian government has put in place their Asia-Pacific Gateway and Corridor Initiative, so that Canadian ports are already benefiting from investments in key

freight corridors that reduce the costs of moving goods from these Canadian West Coast ports to central Canada. We also heard information specific to the PNW region, for example, the need to integrate rural connectivity routes to the main trunk lines of cargo movement. As we heard in other regional sessions, there were many comments on the need for predictable, consistent funding to support transportation projects—not only on the land side but on the inland waterways as well. We heard that we, as a nation, should put in place performance measures to drive investment on the transportation system. The ports stated that they needed the owners of the transportation system outside the port to focus on increasing network efficiency. The information received from all the regional sessions is used by the Departments in many ways, from helping to inform the development of the surface transportation bill to helping shape the focus of the National Export Initiative. Once the remaining outreach sessions are completed, the two Departments will collaborate on a document that catalogues the findings.

As noted in the first answer above, the Department has provided a TIGER II grant to improve rail access to the Port of Vancouver for grain exports. The Federal Highway Administration and the Federal Railroad Administration have been working with the Puget Sound Regional Council on the FAST corridor, a coordinated package of road and rail improvements between Seattle and Tacoma that will facilitate both imports and exports through the two ports.

RESPONSE TO WRITTEN QUESTIONS SUBMITTED BY HON. TOM UDALL TO
HON. RAY LAHOOD

Question 1. The budget takes a great step toward achieving the President's goal of giving 80 percent of American's convenient access to passenger rail by 2025.

Representing a largely rural state and understanding the critical role passenger rail can play for smaller communities; do you know what proportion of rural Americans currently have access to passenger rail?

Answer. Intercity passenger rail plays a critical role in providing transportation choices to rural communities, where air and bus service options have declined in recent years. The FY 2012 budget recognizes this role by including \$8.046 billion for the first year of a 6-year proposal to set the stage for realizing the President's goal of giving 80 percent of Americans access to high-speed rail service within 25 years. The FY 2012 budget also includes \$2.3 billion to preserve and expand Amtrak's intercity service, which includes long distance routes—many of which serve rural America. Although it is difficult to determine an exact proportion of rural Americans that are served by intercity passenger rail, Amtrak reports that there are 152 stations in its network that serve rural communities.

Additionally, FRA's Railroad Rehabilitation and Improvement Financing (RRIF) program provides loans to railroads—including those that serve rural America. Examples of smaller railroads that have received RRIF loans include: the Great Smoky Mountains Railroad, Iowa Northern Railroad, Texas-New Mexico (Tex-Mex) Railroad, and Great Lakes Central Railroad.

Question 1a. Once the system is fully developed, what is the anticipated rural coverage?

Answer. High-speed passenger rail includes the development of a three-tiered passenger rail network that allows for the phasing of investment over the next 25 years—as communities grow and markets mature. Each tier has unique geographic, financial, and technological issues associated with the planning and development of specific corridors. Of the tiers, emerging and regional corridors will be the most important for rural communities. FRA recognizes that different communities have different needs, and has taken that into account when developing the system.

National High Performance Rail System: Mileage, Speed, Power, Track, and Population Served by 2035

Corridor	Percentage of 30,000-mile Network *	Speed (miles per hour)	Power	Track	Percentage of U.S. Population Served **
Core Express	25% to 30%	125 to 250+	Electrified	Dedicated	60%
Regional	50%	90 to 125	Electrified and Diesel	Dedicated and Shared	75%
Emerging	20% to 25%	Up to 90	Diesel	Shared	80%
TOTAL SYSTEM	—	—	—	—	80%

* Preliminary estimates pending the outcome of more detailed national, regional, and state planning efforts.

** These estimates were developed by aggregating the population estimates for all Census-designated metropolitan areas that include a potential station on the network.

Question 2. The budget includes a provision to combine two transit programs into one in an effort to provide more flexibility for communities to achieve a state of good repair for their transit programs. In the budget it states that there is currently a \$78 billion public transportation system maintenance backlog of which over \$50 billion is attributed to fixed guideway systems. With the proposed new mode-neutral formula based on need, I am concerned that small urban and rural bus systems may get lost in the mix? How is the DOT planning to make sure that this doesn't happen?

Answer. Both bus and rail systems will be treated equitably in the new Bus and Rail State of Good Repair program as both modes have significant capital needs. DOT does intend to work with Congress to develop a new formula for distributing funds under the new Bus and Rail State of Good Repair program. DOT recognizes the importance of crafting a formula that addresses the range of needs of the Nation's roughly 1,300 transit agencies, which are located in large and small cities as well as rural communities. DOT plans for the State of Good Repair formula to have two tiers—one for buses and one for rail. That way, rail systems would not compete against bus-only systems for funds.

At the end of the day, this program is meant to help bring aging transit infrastructure back to a state good repair. The truth is that not all transit agencies have equal needs in this regard. DOT's overriding interest is getting assistance to the transit agencies—regardless of location or size of the communities they serve—that genuinely deserve it.

Question 3. In New Mexico, we have several regional transit districts. One of them, the North Central Regional Transit District, has worked closely with several tribes to improve their access to transit and thereby their quality of life. Members of these tribes now have reliable transportation to the grocery store, doctor and even work. Unfortunately, because of funding constraints, they are unable to meet the demands of their tribal communities. I see that the budget is proposing to include the tribal transit program as part of the greater Transit Expansion and Livable Communities program but that the funding remains essentially the same as in past year? How is the DOT proposing that the tribes expand their systems to create more livable tribal communities? Answer. Regarding funding, the Administration's proposal would significantly increase the resources available to tribes, starting with the Tribal Transit program. FTA proposes it grow from \$15.2 million in FY 2012 to \$30 billion by FY 2017. Moreover, tribes would remain eligible recipients and sub-recipients under the Non-Urbanized Area formula (or rural program) program, which is slated to receive \$3.955 billion during the authorization period, including \$766 million in FY 2012.

FTA also proposes program changes to enable tribes to make their communities more livable. For the Tribal Transit program, FTA would make it a stand-alone program to acknowledge that tribes are sovereign nations. Also, FTA would allow tribes in urbanized as well as non-urbanized areas to be eligible for assistance. Further, FTA proposes a creating a new \$50 million Livability Demonstration Grants program, through which tribes could apply for grants to undertake livability demonstration projects. Moreover, tribes could apply for grants through a new \$1.7 billion Transportation Leadership Awards program that will reward communities that undertake innovative solutions to their transportation challenges.

Question 4. New Mexico is home to many oil and gas pipelines and we have experienced tragic accidents in the past. In the wake of the recent string of fatal pipeline accidents, the administration's Fiscal Year 2012 budget request includes a 13 percent increase in the pipeline safety account, from \$106 million to \$120 million. How many pipeline safety inspectors do we have now, how many would be added under the Administration's request? Also, what are the potential impacts on the Department's pipeline safety activities in the event of a government shutdown?

Answer. PHMSA currently has 102 pipeline safety inspection staff onboard and is recruiting to add 15 additional inspection and enforcement staff. Under the Administration's FY 2012 budget request, PHMSA anticipates 18 additional pipeline safety inspection and enforcement staff. Although the agency does not want to speculate on a possible government shutdown, PHMSA expects to maintain safety oversight of the Nation's pipeline system in the event of a government shutdown by keeping a limited number of essential staff working in each region and in Alaska while requesting heightened support from its state pipeline safety partners.

RESPONSE TO WRITTEN QUESTIONS SUBMITTED BY HON. MARK BEGICH TO
HON. RAY LAHOOD

Question 1. I am concerned over the Administration's proposal to reduce AIP funding by over a billion dollars, expecting airports to make up the difference through increased Passenger Facility Charges (PFC). Airports are our lifeline in Alaska. Many of our small and medium hub airports in Alaska don't have the passenger enplanement levels that would allow us to make up for lost AIP dollars by shifting the burden to the traveling public. What if any considerations will be given to small and medium hub airports that cannot offset AIP funding through increased PFC charges?

Answer. Under the President's budget proposal, total annual funding for the Airport Improvement Program (AIP) is reduced from \$3.5 billion to \$2.42 billion in FY 2012. At the same time, the Passenger Facility Charge (PFC) limit is increased from \$4.50 to \$7.00 per enplanement for all airports eligible to impose PFCs.

The proposal is designed to target funds to small airports. The large and medium hub airports are able to make up the loss of entitlements through the increased PFC, which will free up the remaining AIP funding for the smaller airports.

In FY 2012 small airport passenger and nonprimary entitlements will be maintained at levels consistent with formulas in effect under current law when funding is above \$3.2 billion, and AIP funding for Large and Medium hub airports will be suspended.

Alaskan airports would benefit from this program because: (1) the Alaska Supplemental fund is maintained, (2) all Alaskan airports continue to retain their entitlements at the same levels that have been allocated in recent years, and (3) in FY 2012, the entire discretionary fund of over \$400 million is available only to smaller airports.

The FY 2012 budget request also provides for \$3.1 billion in airport improvement funding from the President's Infrastructure proposal targeted at investments in "Roads, Railways, and Runways." Airports of all sizes will be able to compete for this AIP Discretionary funding.

Question 2. The terribly tragic collapse of the I-35 Bridge in Minneapolis killed 13 people and injured over a hundred others. This horrifying event truly captures the dire need for infrastructure investment to repair our Nation's crumbling roads and bridges. While this event was tragic, it also showed what this country can be capable of when it puts its mind toward infrastructure. The replacement bridge was built in a year. Did the expedited manner in which the replacement bridge was permitted and constructed have any negative impact on the structural safety on the new bridge?

Answer. There is no negative impact on the structural safety of the new bridge as a result of the expedited manner in which it was constructed. In fact, the new bridge includes structural enhancements such as the use of high performance concrete to provide superior durability, and multiple levels of structural redundancy, which results in a longer lasting bridge that is more economical to maintain. A state-of-the-art sensor and monitoring system was also built into the bridge that allows for easier and more comprehensive monitoring throughout the lifetime of the bridge.

The speed and efficiency with which the bridge was replaced is a testament to a great effort by the Minnesota Department of Transportation, working in close collaboration with U.S. DOT and the FHWA. Because this project was predicated by an emergency event, virtually all project-related functions occurred simultaneously rather than sequentially, and occurred at a greatly accelerated pace. The need for immediate action supported an extraordinary investment in staff and funding. Additionally, during an emergency, State DOTs may use a combination of project delivery techniques, contract provisions and special administrative efforts to expedite the delivery of a construction project that may not otherwise be available.

For this project, Minnesota DOT used a design-build contract with a lump-sum contractual incentive of \$7 million if substantial completion was obtained before the

date bid by the contracting firm, as well as other monetary incentives based on a graduated payment scale. In addition, the contract provided for an assessment of a \$200,000 per day penalty for failure to meet the bid date. The contractor worked several crews around the clock to meet the target. There was no traffic to slow down operations, which is atypical for a road or bridge construction project. The permitting requirements for the I-35 bridge replacement were also different from the typical new construction project, in part because it was contained within the existing project footprint. As a result, the environmental review requirements were able to be completed using a Categorical Exclusion.

The I-35 bridge replacement was a unique project completed under extreme circumstances. However, a number of project delivery techniques applied in that circumstance are transferrable to other projects to experience gains in project delivery efficiency. The use of a design-build contract combines design and construction into a single contract, allowing design and construction processes to overlap to reduce the lineal process of project development. Employing new technology, such as prefabricated bridge elements and multiple fabrication and staging areas, offers bridge designers and constructors significant construction time advantages. Moreover, these new and proven technologies can improve work zone and worker safety, reduce initial and life-cycle costs, reduce environmental impact, and improve product quality. U.S. DOT looks forward to partnering with State DOTs to implement these and other proven project delivery techniques, to safely and efficiently expedite project delivery in all road and bridge construction projects.

RESPONSE TO WRITTEN QUESTION SUBMITTED BY HON. KAY BAILEY HUTCHISON TO
HON. RAY LAHOOD

Question. Positive Train Control is an important safety measure, but I have grown increasingly concerned that the Federal Railroad Administration is requiring implementation in a way contrary to Congressional intent. By requiring the railroads to use a 2008 map, rather than the projected 2015 route map, I'm concerned that we are making an already expensive mandate unreasonable. I've introduced legislation to make this requirement more practical. Will you work with me to help resolve this issue?

Answer. Yes, the Department is actively working to address this issue. On March 2, the Federal Railroad Administration (FRA) and the Association of American Railroads (AAR) reached a settlement agreement of the AAR's lawsuit challenging FRA's positive train control (PTC) rule. The agreement provides that FRA will issue a notice of proposed rulemaking to amend the rule that would potentially mandate PTC installation on track segments not specifically required to be equipped by Congress.

RESPONSE TO WRITTEN QUESTIONS SUBMITTED BY HON. JOHN THUNE TO
HON. RAY LAHOOD

Question 1. Mr. Secretary, I understand that the Department plans to transition the tax-free transit commuting benefit provided to Federal employees from paper vouchers to bank-issued debit cards. I also understand that the Internal Revenue Service has explained to your staff that debit cards may only be issued for transit services for which vouchers are not readily available. However, I understand that the DOT may be pursuing a use of such debit cards in a manner that could jeopardize the tax-free nature of Federal employees' transit commuter benefits. I certainly would not want these employees to sustain a tax increase just to switch from paper to plastic. Will you assure me that the DOT will not proceed with any such debit card program until the Treasury Department has certified that it meets the requirements of the Internal Revenue Code and IRS regulations?

Answer. Thank you for your inquiry regarding the actions the U.S. Department of Transportation (DOT) has taken to transition from a paper based transit fare media environment to an electronic process. You have my assurance that DOT will not proceed with a debit card program that jeopardizes the tax-free nature of the Federal employees' transit commuter benefits. Currently, my staff is working closely with the Treasury Department and Internal Revenue Service (IRS) to ensure that DOT remains in compliance with the requirements of the Internal Revenue Code and IRS regulations as it transitions from a paper voucher system to a debit card program.

The Federal Transit Benefit Program is an important tool to help address the congestion and air pollution issues affecting the National Capitol Region (NCR) and cities across the Nation. DOT wants to ensure that it is implemented properly to get

commuters out of single occupancy vehicles and onto mass transit, to save fuel, and to reduce congestion and pollution. TRANServe is working to help ensure that the program serves its intended purpose.

Question 2. Could you elaborate on how the proposed national infrastructure bank would be organized? Will it be housed in the Office of the Secretary? How would projects be selected, and would there be a mechanism to ensure fair geographic distribution of the funds? How, if at all, would the fund be useful to rural states?

Answer. The National Infrastructure Bank (I-Bank) will be a new entity within the Department of Transportation reporting to the Secretary and headed by an Executive Director who is appointed by the President and confirmed by the Senate. I-Bank investments will be overseen by an Investment Council that is comprised of senior Department of Transportation officials, including Administrators from modal administrations, and the heads of other departments and agencies of the Federal Government. The Investment Council will consider investment proposals sourced by the I-Bank and submitted by the Executive Director for a funding recommendation. Proposals approved by the Investment Council will be submitted to the Secretary for a final approval.

The I-Bank will provide benefits to rural states. Projects that support rural communities such as bridges, highways, and rail are eligible for funding through the I-Bank. Another benefit to rural communities is that projects may receive “seed money” grants to help with planning and design. However, the I-Bank will not require any specific geographic distribution for its investments. Instead, the I-Bank will base its investment decisions on clear analytical measures of value-for-cost and level of non-Federal co-investment, the I-Bank will evaluate projects against each other to determine which will produce the greatest return for American taxpayers.

RESPONSE TO WRITTEN QUESTION SUBMITTED BY HON. ROGER F. WICKER TO
HON. RAY LAHOOD

Question. The President’s FY 2012 budget proposal includes funding to create a new distracted driving incentive grant for states through NHTSA’s Highway Traffic Safety Grant Program. What specifically does the Administration propose as requirements for a state law to qualify to receive funding under this new grant? If a specific proposal is not available, what does the Administration recommend should be included in the requirements for a state law to qualify?

Answer. The Department proposes to establish a new \$50 million Distracted Driving Prevention Grant program for states which enact and enforce laws to prevent distracted driving, such as prohibiting texting while driving. As of March 2011, 30 states and the District of Columbia had legislation banning texting while driving for all drivers, while a number of other states had laws covering specific types of drivers, such as novice drivers or school bus drivers. Eight states and the District of Columbia have laws prohibiting all drivers from using hand held cell phones while driving. The Department will take into consideration the scope of these existing distracted driving laws in determining criteria for any distraction grant funding authorized by the Congress. Issues to be considered in implementing a grant program could include primary vs. secondary enforcement of a law; minimum fine structure for first and repeat offenses, enforcement efforts and public information and education efforts.